

# *Housing Choice*

A Housing Plan for Stow, Massachusetts



*Prepared for:*

Stow Housing Task Force  
Stow Master Plan Committee  
Metropolitan Area Planning Council

*Prepared by:*

**Community Opportunities Group, Inc.**

129 Kingston Street Third Floor  
Boston, Massachusetts 02111



# Table of Contents

<b>I. INTRODUCTION.....</b>	<b>1</b>
HOUSING CHOICE.....	1
KEY FINDINGS .....	2
HOUSING PLAN RECOMMENDATIONS .....	3
<b>II. HOUSING PRODUCTION PLAN .....</b>	<b>7</b>
PRIORITY NEEDS.....	7
LONG-TERM GOALS AND FIVE-YEAR PRODUCTION TARGETS.....	11
<i>Five-Year Production Targets: Resources and Participants</i> .....	12
<b>III. ANALYSIS OF NEEDS .....</b>	<b>14</b>
POPULATION TRENDS.....	14
<i>Population Growth</i> .....	15
<i>Population and Age</i> .....	17
<i>Race, Ethnicity and National Origin</i> .....	17
<i>Labor Force, Education &amp; Employment</i> .....	17
<i>Income and Wealth</i> .....	18
<i>Household Characteristics by Age Group and Neighborhood</i> .....	20
HOUSING CHARACTERISTICS.....	23
<i>Housing Stock</i> .....	24
HOUSING MARKET .....	26
<i>Homebuyers</i> .....	26
<i>Rental Market</i> .....	29
HOUSING AFFORDABILITY .....	33
<i>Chapter 40B</i> .....	33
<i>Other Measures of Affordability</i> .....	35
RESIDENTIAL DEVELOPMENT TRENDS .....	37
<i>Residential Build-Out, Land Use and Chapter 40B</i> .....	39
IMPLICATIONS FOR HOUSING NEEDS IN STOW .....	41



## I. Introduction

A community's physical evolution from hamlet to modern suburb is revealed in the styles, age and location of its homes. For most towns engaged in planning today, the recurring irony about housing is that residents think their communities already have too many homes. Concerned about losing open space and financing the cost of public schools, citizens and town officials seek ways to contain housing growth, yet in many cases the techniques they choose bring unintended – and unwanted – consequences. Among them: the eclipse of housing choice.

### Housing Choice

“Housing choice” is not a euphemism for low- and moderate-income housing, elderly or “over-55” housing, starter homes, rooming houses or manufactured housing developments. It means variety in housing types, a range of prices and access to ownership and rental opportunities so that people have meaningful choices about where they will live. Stow seemed to embrace the central principles of housing choice when the Planning Board adopted Stow 2000, the town's master plan (1996). Specifically, the plan articulated three housing goals:

- Provide housing opportunities for those at the entry level of homeownership, “empty nesters,” elder residents, and those requiring housing assistance and rental housing units.
- Ensure maintenance of the present housing mixture including single-, two-family and multi-family dwelling units.
- Encourage the elderly and handicapped to remain in Stow, preferably in their own homes.

Toward these ends, Stow 2000 called on the town to take several actions. Most of the master plan's housing recommendations focused on zoning techniques to diversify the types of new homes built in Stow, and to ease the process by which existing residences could be altered or converted to provide smaller dwelling units. Viewed in their entirety, the recommendations were forward-thinking yet conservative; although they promoted nothing radically new or different, they reflected the consciousness of town planners that market housing production did not always meet local needs. Consistent with Stow 2000, the town has taken some steps to create more housing choices. For example, voters approved an “Active Adult Neighborhood” bylaw, which allows homes for “over-55” households on industrially zoned land that has been undeveloped for many years. While the master plan was being written, town meeting also approved a “Planned Conservation Development” bylaw that encourages developers to preserve open space and design compact housing clusters, including a mix of attached housing units and traditional single-family homes.

The master plan was conspicuously silent about the use of comprehensive permits to increase the supply of affordable housing. Possibly Stow officials were reluctant to promote comprehensive permits out of concern that the floodgates might open, and possibly Stow, like many towns, wanted to solve its own housing problems without interference from the state. The reality is that few communities can marshal enough political support to zone for affordability. Even those that manage to adopt affordable housing bylaws usually stop short of writing regulations that make it feasible to build homes affordable to low-income people. This year, several Massachusetts suburbs, including Stow, adopted “inclusionary” zoning bylaws in order to gain some control over affordable housing production. “Inclusionary” means what its name suggests: the inclusion of affordable homes in new residential development. Since Massachusetts has so little experience

with inclusionary bylaws, it is not clear that suburban efforts to regulate affordable housing development will succeed. Against the backdrop of these new zoning initiatives, a 30-year-old law that many towns resent remains in effect: the Anti-Snob Zoning Act of 1969 (G.L. c.40, Sections 20-23), or by its less offensive name, “the comprehensive permit law.”

Stow recently completed a very contentious comprehensive permit process that ended with the approval of a 96-unit homeownership development known as The Village at Stow. The process put local housing advocates, town officials, neighborhoods residents and a developer at odds, and in the end no one was happy. A similar outcome most likely awaits Cloudland Farm, a second comprehensive permit that will be filed soon. Chapter 40B regulations allow developers to apply for a permit to build as many as 150 housing units in a town of Stow’s size. To large or rapidly growing communities, a 150-unit housing development would probably seem large but manageable; in Stow, it is utterly out of character with the scale of established neighborhoods, and it is nearly 50% of the total number of homes built in Stow during the past decade.

Most small towns are in no position to absorb the impacts of development at the scale that Chapter 40B allows, but most small towns also have done little to address affordable housing needs on their own. Instead, they typically use zoning and Title V to limit growth rather than as agents to guide development. Only a few have zoned to require a mix of residential use types or affordable housing. For the most part, suburban zoning bylaws work to impede growth by restricting allowed residential uses to single-family homes on large lots, usually the largest possible lot that local officials think the courts will uphold. In addition, they zone stretches of land along a main road for commerce, and curtail the amount of development that can occur with very low building coverage ratios, deep setbacks and enormous parking requirements. When all else fails, they zone land to make it unmarketable, such as an industrial district on land far from a major highway. The practice of locating industrial districts, dumps and multi-family housing (when allowed at all) close to the town line is strikingly common throughout the state. So, too, is the loss of town qualities that residents usually call “assets” or “values” at visioning meetings: historic villages and civic buildings, close neighborhoods, farms and open space, places to shop and congregate, and safe places to walk, bicycle or ride horses.

Stow residents clearly cherish all that their town has to offer. They also lament its weaknesses, yet addressing many of the problems they described at a forum on 30 April 2002 requires a fundamental change in the way Stow regulates land use. A small, attractive suburb with vestiges of its rural past, Stow has large tracts of open space, retained elements of historic village form, and fine, valuable homes. Many years ago, Stow adopted zoning to protect its farms and natural beauty, largely through large-lot residential development. Like other communities that seek to plan for their future, Stow faces difficult housing policy choices that relate to all other aspects of managing growth and change. A community influences the make-up of its population by the choices it makes to regulate housing growth, and Stow is no exception. Since 63% of Stow’s land is zoned for residential development, housing is a critical public policy issue for the town.

## Key Findings

The housing needs analysis

- 1) Stow’s housing stock is strikingly uniform. In nearly all cases, new homes built in Stow consist of large, architecturally homogenous single-family residences on large house lots.

- 2) Homes in Stow are unaffordable to 45% of its own households, 56% of the region's, and 71% of households throughout the Boston metropolitan area.
- 3) There is a severe shortage of rental housing in Stow and neighboring communities, and virtually no housing accessible to persons with disabilities.
- 4) Stow's established development pattern makes inefficient use of land. Regulations to control growth have often fragmented the town's open space while driving up housing costs and making other forms of housing uneconomic.
- 5) Stow's zoning policies stop short of encouraging the preservation of village density and form even though the master plan's land use element emphasizes the importance of village development.
- 6) Many local officials and residents object to Chapter 40B developments, yet they say they want Stow to have more affordable housing. The town is conflicted, just as most communities are conflicted about housing affordability. Stow needs to take affordable housing seriously, using tools and strategies that go beyond inclusionary zoning and CPA revenue to fill existing housing gaps and meet future needs.

## **Housing Plan Recommendations**

To encourage more housing choices in Stow, the town should implement the following recommendations:

- 1) Establish a permanent Housing Partnership Committee. The Committee's charge should include:
  - a) Advise the Board of Selectmen, Planning Board and Zoning Board of Appeals on local housing policy.
  - b) Conduct periodic needs assessments, on its own and in conjunction with regional housing and planning organizations.
  - c) Disseminate information about housing needs in Stow and the surrounding region.
  - d) Act as the point of contact for prospective comprehensive permit applicants.
  - e) Conduct a technical review of site approval (project eligibility) applications filed by developers with MassHousing or DHCD prior to the submission of a comprehensive permit, and assist the Board of Selectmen with preparing written comments, if any.
  - f) Advocate for realistic ways to increase the diversity of homes and the supply of affordable homeownership and rental housing units in Stow.
  - g) Assist property owners and developers of small, locally sponsored projects with preparing "Local Initiative Program (LIP) Units Only" applications to DHCD so that eligible housing units may be added to the Chapter 40B Subsidized Housing Inventory.
  - h) Advise the Community Preservation Committee (CPC) on realistic, effective ways to use Community Preservation Act revenue to create affordable housing opportunities in Stow.

- 2) Modify existing zoning regulations to allow accessory apartments in single-family homes or accessory structures over 10 years old, as follows:
  - a) Allow accessory apartments as of right, subject to an affordable housing use restriction as a condition for issuing a certificate of occupancy. The Housing Partnership Committee should make a model use restriction available to interested property owners and assure that the restriction meets Local Initiative Program (LIP) requirements.
  - b) Allow accessory apartments by special permit from the Planning Board in order to waive the affordable housing use restriction.

Accessory apartments meet a number of housing needs. Their importance should not be minimized simply because they are small housing units, developed incrementally at the discretion of homeowners. Stow needs housing diversity as much as it needs affordability.

- 3) Modify existing zoning regulations to facilitate single-family to multi-unit conversions for large residences built prior to 1950, as follows:
  - a) Allow up to three units by right, subject to a site plan and design review by the Planning Board and an affordable housing use restriction for at least one unit.
  - b) Allow up to four units by special permit from the Planning Board, including site plan and design review, subject to an affordable housing use restriction for at least one unit.
- 4) Amend the Zoning Bylaw to encourage mixed-use village development through overlay districts or by Transfer of Development Rights (TDR). In designated village zones:
  - a) Encourage structures that include a mix of residential units and commercial space.
  - b) Allow freestanding multi-family and over-55 development. The regulations should specify a minimum percentage of affordable units, and for multi-family developments of 15 units or more, the bylaw should specify a minimum percentage of units accessible to persons with disabilities.
  - c) Modify the existing regulations for hammerhead (reduced frontage) lots by substituting affordable dwelling units for an increase in lot size, and add a new use, "infill residential uses," as the allowable use on hammerhead lots.
- 5) Replace existing regulations for Planned Conservation Development with a mandatory open space-residential development bylaw that applies to all divisions of land into five or more lots or developments of five or more units, and provide a modest density incentive to preserve exemplary open space or create a higher percentage of affordable housing units than required under the town's new Inclusionary Zoning Bylaw.
- 6) Modify the fee in-lieu-of provisions of the Inclusionary Zoning Bylaw (ATM 2003) to more accurately reflect the town's cost to provide affordable housing units. Since a majority of Stow's local initiative housing will be homeownership units created through conversion, acquisition and disposition of existing structures, the inclusionary housing fee should reflect the gap between the affordable purchase price for a low- or moderate-income household and the town's median single-family home sale price. To assure that pricing strategy meets LIP guidelines, the household income used to define "affordable" should be adjusted to 90% of the low- and moderate-income limit that applies to Stow. The difference between the



recommended “gap” analysis methodology and the formula in Stow’s existing bylaw is as follows:

<b>"Gap" Formula</b>		<b>Zoning Formula</b>	
Household of Four, 80% Area Median Income	\$62,650	Household of Four, 80% Area Median Income	\$62,650
90% (LIP Adjusted)	\$56,385	X3	\$187,950
Affordable Purchase Price	\$169,721		
Median Single-Family Home Sale Price (2002)	\$385,000		
Developer's Fee	\$215,279	Developer's Fee	\$187,950

- 7) Modify the Inclusionary Zoning Bylaw to provide for a percentage of homes affordable to “below-market” households, e.g., households with incomes between 81-110% of area median income. These households are not served by any of the prevailing housing subsidy programs and since their incomes exceed the standard used for Chapter 40B eligibility, only a handful of communities include them in a local definition of “affordable housing.” Stow’s housing needs are not limited to homes for low- and moderate-income people.
- 8) Petition the General Court to create a Local Housing Trust Fund. The fund should allow local officials to pool their housing resources and allocate them to public or non-profit organizations without having to follow the real property procurement procedures of Chapter 30B.
- 9) Commit a minimum percentage of each year’s CPA revenue to affordable housing, e.g., 25%, in order to fund a Local Housing Program.
- 10) Integrate affordable housing into the town’s next Open Space and Recreation Plan by identifying lands of conservation interest that would be suitable candidates for a mixed-income limited development project if the sites were acquired as open space.
- 11) Supplement the capacity of Stow Community Housing Corporation with a local development corporation created by petition to the General Court.
- 12) Modify the Comprehensive Permit Policy (December 2002). Specifically:
  - a) Emphasize acceptable density ranges for homeownership and rental developments over an upper-limit for project scale.
  - b) Provide more explicit architectural design guidelines.
  - c) Eliminate or modify the statement of preference for rental housing until such time as local officials reach agreement about Stow’s interest in promoting low-income rental units. Through its Housing Partnership Committee, Stow may wish to encourage individual applicants to pursue rental development because there is ample evidence of rental housing need in Stow and the surrounding region. However, the existing policy suggests that the town has taken a position that may not be shared or supported by a majority of local officials.

- 
- 13) Request that developers pay a reasonable fee to the town for peer review services when the Zoning Board of Appeals received a comprehensive permit application. Peer review consultants retained by and reporting directly to the Zoning Board of Appeals will most likely be perceived as independent and neutral.
- a) The town should always retain a qualified consultant to analyze the development pro forma. The purpose of Chapter 40B is to remove regulatory barriers to low-income housing development. Developers may seek relief from local regulations that make affordable housing uneconomic to build, but they are not entitled to relief that exceeds what is required to make a project feasible. In turn, the town must be clear about its expectations for comprehensive permit developments. For example, it is almost always possible to reduce the density of a proposed development by increasing housing sale prices to the maximum that is theoretically affordable to a moderate-income household. However, if Stow wants to provide housing for a mix of incomes, increasing the sale price of homes in order to reduce density would seem to conflict with that goal. If lower density is more important than sale price and income targets, then a pro forma analysis will help the town negotiate successfully toward that end. In addition, an analysis by a qualified consultant will be crucial to Stow's credibility in a Housing Appeals Committee (HAC) proceeding.
  - b) The town should retain a registered architect and landscape architect to review the proposed site plan and elevations. Design quality and compatibility will be crucial to the success of affordable housing endeavors in Stow. Emphasizing aesthetics and site planning principles is as important as controlling density.
  - c) The town should retain qualified legal counsel to review the applicant's proposed affordable housing use restriction and recommend procedures to the Zoning Board of Appeals for assuring that all use restrictions are properly completed before they are recorded at the registry of deeds.
- 14) Designate an individual officer of the town to negotiate with comprehensive permit applicants.
- 15) Submit a Planned Production Strategy to DHCD for approval under 760 CMR 31.07(d).

## II. Housing Production Plan

### Priority Needs

The Housing Production Plan addresses five categories of need.<sup>1</sup> Below is a summary discussion of each major category and a rationale for their inclusion in the Housing Production Plan.

#### Rental Housing Needs

Compared to the Boston Metropolitan Statistical Area (Boston PMSA),<sup>2</sup> Stow's inventory of rental housing differs in three noteworthy respects. First, rental units constitute a much lower percentage of all housing units. Second, single-family homes provide a much higher percentage of renter-occupied housing and as a result, many rental opportunities in Stow today are vulnerable to homeownership conversion. (In fact, Stow has fewer renter-occupied units today than was the case in 1990.) Third, virtually all of the housing developed for renters in Stow was built under comprehensive permits and this contributes to an average multi-family rent that is quite a bit lower the average PMSA-wide rent. However, the average rent for single-family homes – a plurality of all rental stock in Stow – is nearly equal to that of single-family homes throughout the PMSA. In April 2000, Stow's overall housing vacancy rate of 1.5% was lower than the PMSA's vacancy rate (2.6%), yet unlike the PMSA as a whole, Stow had no vacant rental units.<sup>3</sup>

Comparison Data: Rental Units and Average Rents by Type of Structure

	Stow	Boston PMSA	Average Rent		Ratio PMSA/Stow Rents
Total Housing Inventory	2,128	1,377,707			
Total Rental Units	271	542,734	\$705	\$812	1.15
Rental Units by Type of Structure					
1, detached or attached	129	58,595	\$816	\$851	1.04
2 to 4	100	222,846	\$686	\$843	1.23
5 to 19	42	126,448	\$407	\$776	1.91
20 to 49	0	54,625	N/A	\$803	N/A
50 or more	0	79,127	N/A	\$763	N/A
Mobile home	0	1,033	N/A	\$555	N/A
Boat, RV, van, etc.	0	60	N/A	\$352	N/A
% Rental	12.7%	39.4%			
% Single-Family	47.6%	10.8%			

Source: Census 2000, Summary File 3, Tables H1, H7, H32, H66.

<sup>1</sup> See Section III, Analysis of Needs.

<sup>2</sup> The Boston PMSA includes all of Suffolk and Middlesex Counties, most of Norfolk and Essex Counties, portions of Bristol, Plymouth and Worcester Counties, and two towns in NH.

<sup>3</sup> Vacancy rate excludes seasonal and vacation homes.

A number of rental housing barriers exist in Stow and they help to explain why the town has a shortage of rental units at all market levels. Stow's lack of public water and sewer service makes developing higher-density housing more difficult and expensive, and density is key to rental feasibility. Like most suburbs, Stow does not allow higher-density development and to the extent that attached or common-wall units are allowed, they require a special permit. As a result, developments that could be built with a package treatment facility and thereby comply with Title V are not possible under Stow's existing zoning scheme. Local regulatory constraints mean that developers have no choice but to use Chapter 40B as the vehicle to develop rental housing, a condition that assures controversy because residents and town officials dislike the loss of local control and the density that come with comprehensive permits. The same condition makes it extremely difficult to provide rental housing affordable to a range of household incomes.

Chapter 40B is a notoriously poor tool for serving households that need "below-market" rents, i.e., for households with incomes too high to qualify for a Chapter 40B unit and too low to afford prevailing market rents. Throughout Massachusetts, some of the highest percentages of cost-burdened renters live in suburbs that absorbed new Chapter 40B rental developments during the 1990s.<sup>4</sup> In part, this trend reflects the structure of Chapter 40B rental housing, for new developments typically reserve 25% of the units for low-income renters and make 75% available for "market" occupancy, yet often, the unrestricted units are priced at the high end of the market. In addition, low-income units are not always affordable to the households that actually occupy them. Stow's regionally low multi-family rents also attest to developer dependence on comprehensive permits, but for a different reason: all of the units in its two rental developments – Plantation Apartments and Pilot Grove – were built to meet low- and moderate-income housing needs. Regardless, the percentage of low-income renters paying more than 30% of their monthly income on rent and utilities is very high in Stow and throughout the Boston area.

#### Comparison Data: Renter Income and Housing Cost Burden

	Stow		Boston PMSA	
Median Household Income (Total)	\$96,290		\$55,183	
Median Income Renter Households	\$39,632		\$35,023	
Ratio Total Median to Renter Median	2.43		1.58	
% Renters < \$35,000/year	44.6%		50.0%	
Total Renter-Occupied Units	271		541,719	
		% Cost Burdened		% Cost Burdened
Household Income Range				
Less than \$10,000	30	100%	85,872	62%
\$10,000 to \$19,999	67	46%	80,313	68%
\$20,000 to \$34,999	24	50%	104,564	59%
\$35,000 to \$49,999	54	22%	86,963	25%
\$50,000 to \$74,999	81	0%	93,114	9%
\$75,000 to \$99,999	0	N/A	46,165	2%
\$100,000 or more	15	0%	44,728	1%

Source: Census 2000, Summary File 3, Tables P53, H73, HCT12.

<sup>4</sup> A "cost burdened" household pays more than 30% of its gross monthly income for rent and utilities or the combined cost of a mortgage, taxes and insurance.

### Homeownership Needs

Housing units in a recently approved comprehensive permit development, The Village at Stow, and units in a proposed development known as Cloudland Farm, will help to address existing local and regional needs for moderate-income homeownership units. If the homes retain their affordability over time, they should satisfy Stow's "fair-share" obligation for Chapter 40B homeownership units for many years. Depending on the actual sale price of the market (unrestricted) homes, these two developments may also help to address regional needs for housing that is affordable to middle-income households. The town faces several challenges, however.

If the Chapter 40B homeownership units are priced too high – literally at the maximum affordable to a household at 80% of area median income – the pool of mortgage-qualified, moderate-income homebuyers will be limited by design. Still, the initial sales period may be less problematic than resale. When the first buyers decide to sell their homes, the affordable housing use restriction on their property requires them to make the home available to income-eligible homebuyers for a specific period of time. If a qualified buyer cannot be found, the homeowner is allowed to sell the unit at market value. The resulting "windfall" must be paid to the state (DHCD) for reinvestment in new affordable housing development.<sup>5</sup> Under current DHCD policy, the affordable units in an approved comprehensive permit remain on the Chapter 40B Subsidized Housing Inventory even when they lose their affordability upon resale. DHCD's hold-harmless policy is fair to communities, but it does not address the problem of lost housing affordability – a problem that has affected many cities and towns across the state. In addition, waiving zoning rules for developments that provide affordable housing only in the short run raises serious public policy issues.

Neither The Village at Stow nor Cloudland is designed for "empty nester" and elderly homebuyer markets. As approved by the Zoning Board of Appeals, the Village at Stow should be very attractive to young families: childless couples, and couples or single parents with children. Though some officials fear a negative fiscal impact on schools, residents at the Village at Stow will be demographically similar to most households already living in Stow. It seems reasonably certain that the Village at Stow and Cloudland will address family housing needs, which leaves Stow with the challenge of addressing housing for senior and young citizens: populations inadequately served by the market or existing Chapter 40B activity. Housing cost burden affects older householders in Stow far more than is the case regionally, a condition that seems to correlate with the town's disproportionately low percentage of elderly households. Of course, housing cost is not the only factor that makes homes attractive to and suitable for elderly occupants and it is not the only barrier for young individuals, either. Small housing units in relatively maintenance-free, managed

---

<sup>5</sup> The initial moderate-income buyers pay a discounted price for their Chapter 40B homeownership unit. The discount is the difference between the unit's market value and the price paid by the buyers. Upon resale, the initial buyers may not sell the unit for more than the discount they received. Example: if the initial buyers paid a discounted price equal to 75% of their home's market value, then upon resale, they are limited to a sale price that is 75% of the unit's appraised value at that point in time. When an income-eligible buyer cannot be found, the initial buyers may sell the unit at market value. The portion of the actual sale price that exceeds their discount is the "windfall" that must be repaid to the state.

developments meet needs that detached single-family homes cannot meet. Except for homes developed under Stow's "Active Adult Neighborhood Overlay District" bylaw, the town does not have effective regulatory mechanisms to create housing for those who do not want the cost or maintenance burdens of a single-family home. Unfortunately, Stow's approach to land use regulation contributes to the fiscal impacts that residents loathe and at the same time makes the community less affordable to all households – with or without children.

Comparison Data: Homeowner Income, Age and Percent Cost Burden

	Stow		Boston PMSA	
Median Household Income (Total)	\$96,290		\$55,183	
Median Homeowner Income	\$101,740		\$71,766	
Ratio Total Median to Homeowner Median	0.95		0.77	
Total Owner-Occupied Units	1,699		587,230	
		% Cost Burdened		
Household Income Range			% Cost Burdened	
Less than \$10,000	22	63.6%	15,303	78.8%
\$10,000 to \$19,999	65	81.5%	28,646	73.8%
\$20,000 to \$34,999	103	40.8%	54,293	45.4%
\$35,000 to \$49,999	92	32.6%	64,805	42.4%
\$50,000 to \$74,999	226	45.1%	122,016	26.8%
\$75,000 to \$99,999	288	31.9%	103,860	11.2%
\$100,000 to \$149,999	569	5.6%	111,692	5.8%
\$150,000 or more	334	3.0%	86,615	1.8%
		% Cost Burdened		
Age of Homeowner			% Cost Burdened	
15-24	17	0.0%	1,753	37.8%
25-34	194	35.1%	55,286	26.4%
35-44	517	25.7%	145,722	25.3%
45-54	453	24.1%	146,585	20.9%
55-64	268	16.8%	97,768	19.8%
65-74	181	11.0%	77,019	24.1%
75+	69	0.0%	63,097	26.9%

Source: Census 2000, Summary File 3, Tables P53, H96, H97, HCT12.

### Long-Term Goals and Five-Year Production Targets

Housing Need	Long-Term Goal	Calendar Year					5-Year Plan Target
		2003	2004	2005	2006	2007	
Low- and moderate-income rental units							
<i>Elderly</i>	20						0
<i>Family</i>	40	0	9	2	1	1	17
<i>Individual</i>	10	0	4	2	1	1	4
<i>Disability</i>	10					6	6
Middle-income rental units							
<i>Family</i>	75	0	27				37
<i>Individual</i>	15		10				0
Homeownership units							
<i>Moderate-income family</i>	25	24	20				44
<i>Middle-income family</i>	75	24	24	39	30	20	137
<i>Moderate-income elderly</i>	10			2		2	4
<i>Middle-income elderly</i>	25			2		2	4
Total	305	48	94	43	32	28	245
# Chapter 40B units	205	24	70	6	2	10	112
% Chapter 40B units	67.2%	50.0%	35.1%	9.3%	6.3%	28.6%	45.7%

Notes to Table. (1) % Chapter 40B units reflects DHCD policies currently in effect: all units in a comprehensive permit rental development, and all affordable units in a homeownership development, qualify for listing on the Subsidized Housing Inventory. (2) Village at Stow approval of 96 units, 24 affordable, is presumed to be consistent with local need because the number of new Chapter 40B units exceeds .75 of 1% of Stow's total housing inventory. The Production Plan begins with Village at Stow. (3) Units estimated for approval in CY 2004 exceed the 1.5% threshold for two years of "consistent with local need" under 760 CMR 31.07(1)(i) ["Planned Production"]. (4) Units in an approved comprehensive permit will remain on the Subsidized Housing Inventory for 12 months. If building permits have not been issued 12 months after the approval date, the units will be removed from the Inventory. The Chapter 40B Task Force has recommended that DHCD have flexibility to make case-by-case determinations before removing approved units from the Inventory. (5) Table assumes Village at Stow will be constructed under the 96-unit comprehensive permit approved by the Zoning Board of Appeals, and that Cloudland Farm will be approved for a combination of rental and homeownership units, somewhere between 100-130 units total.

Five-Year Production Targets: Resources and Participants

Principle/Need	Long-Term Goal	Five-Year Plan Goal	Resources/Participants/Potential Strategies
<u>Low- and moderate-income rental units</u>			
Senior	20	0	<p>Housing Partnership should work with SCHC to develop HUD-202 elderly rental housing. Consider existing town-owned land or parcels acquired with CPA revenue.</p> <p>If town establishes an EDIC-like organization, consider acquiring a parcel of land for general municipal purposes in a location suitable for future senior center expansion. Develop a portion of the site now for elderly housing by procuring for a qualified developer, and apply proceeds from the land sale as seed money for a senior center or community center.</p>
Family	40	13	<p>Cloudland Farm or an alternative comprehensive permit; modified single-family conversion bylaw, CPA-assisted units.</p> <p>SCHC should explore creating a small LIHTC or HOME-assisted development on town-owned land, working in conjunction with the Conservation Commission and Planning Board.</p>
Individual	10	4	<p>Modified accessory apartment bylaw; CPA revenue.</p> <p>Town should consider an accessory apartment amnesty program, modeled after the Town of Barnstable's.</p>
Disability	10	6	<p>Housing Partnership should work with Stow Housing Authority, Mass. DMH/DMR to develop 6 units of housing for persons with disabilities.</p> <p>Amend zoning bylaw to require a set-aside of units in all new developments as accessible housing units, i.e., a bylaw similar in construction to the town's new Inclusionary Zoning Bylaw.</p>



Principle/Need	Long-Term Goal	Five-Year Plan Goal	Resources/Participants/Potential Strategies
<u>Middle-income rental units</u>			
Family	75	37	Cloudland Farm; alternative comprehensive permit sponsored by SCHC, town. Single-family conversions.
Individual	15	0	Accessory apartments, single-family conversions.
<u>Homeownership units</u>			
Moderate-income family	25	44	Village at Stow, Cloudland Farm. CPA-assisted acquisition/disposition projects. Inclusionary zoning units.
Middle-income family	75	137	Village at Stow; Cloudland Farm. Limited development/open space projects. Amend inclusionary zoning bylaw to provide for middle-income housing in addition to low-income housing, and provide modest density bonus to make mixed-income developments feasible.
Moderate-income elderly	10	4	CPA-assisted acquisition/disposition projects; AAN developments.
Middle-income elderly	25	4	Negotiate with AAN developers to reserve % of units for below-market sales.

### III. Analysis of Needs

#### Population Trends

Stow is a small, affluent community in one of the state's most rapidly growing regions – and also one of its wealthiest. Most of Stow's 5,902 residents live comfortably, as suggested by the town's high median household income of \$96,290 and the quality, condition and value of its homes. Owing to Stow's small-town charm, prestige and long-standing preference for single-family residential development, a majority of its households are traditional families and an unusually high percentage of them have children under 18.<sup>6</sup> Not surprisingly, Stow households are somewhat larger than their counterparts statewide: 2.82 compared to 2.51 persons per household. Table 1 presents basic household characteristics for Stow, Middlesex County and the Commonwealth.

Table 1: Comparative Household Characteristics

	Stow	Middlesex County	Massachusetts
Population	5,902	1,465,396	6,349,097
Households	2,082	561,220	2,443,580
Families	1,678	361,076	1,576,696
Percent Families	80.6%	64.3%	64.5%
Average Household Size	2.82	2.52	2.51
Households w/ Children < 18	896	180,054	748,865
Percent Households w/ Children < 18	43.0%	32.1%	30.6%

Source: Bureau of the Census, Summary File 1, Table DP-1.

Slightly more than 16% of all households in town include at least one elderly person, and about 5% of Stow's senior citizens live with a son or daughter and grandchildren.<sup>7</sup> The elderly (65 and over) constitute 8.2% of Stow's population. Like most residents of Stow, the vast majority of elders are homeowners; unlike most residents, about 70% of Stow's elderly households have lived in town for at least 20 years. More than 42% of the town's homeowners bought their present home between 1990-2000, mainly after 1995. For every new home built during the 1990s, Stow gained nearly three new households as older residences were recycled in the market, a housing turnover rate slightly lower than average for the regional area depicted in Fig 1.<sup>8</sup>

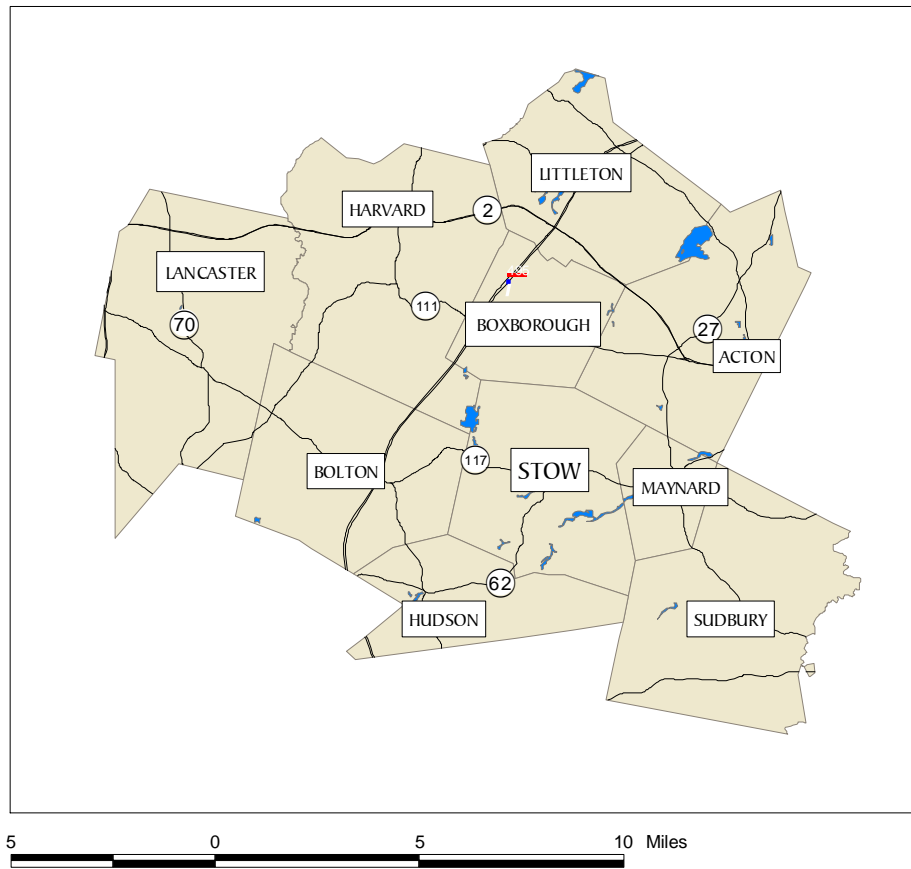
<sup>6</sup> As used throughout this report, "family" refers to a household of persons related by blood or marriage. "Household" refers to all persons occupying the same housing unit. It includes families and non-family households, e.g., a household of one person, or two or more unrelated persons.

<sup>7</sup> Bureau of the Census, Census 2000, Summary File 3, Table DP-2, Middlesex County Census Tract 3231 (Stow).

<sup>8</sup> Census 2000, Summary File 3, Tables H-36, H-38.

**Fig. 1: Town of Stow**

Regional Housing Market Study Area



### Population Growth

During the past decade, the population of Stow increased by 10.8%: higher than the statewide growth rate of 5.5% but much lower than that of many surrounding towns.<sup>9</sup> Figure 2 shows that Stow experienced 20 years of rapid, sustained population growth after 1950, a period that coincides with the completion of two major regional highways, suburban development throughout Eastern Massachusetts, and clearly, the post-war baby boom. Like most communities, Stow has grown in a cyclical pattern, responding to trends that originated far beyond its own borders. The town continued to gain population after 1970, but its growth rate dropped sharply even though it absorbed more new homes during the 1970s than in any previous or subsequent decade. The recent reversal of Stow's declining growth rate is attributable not only to housing starts that occurred during the 1990s, but also the re-sale of older homes. Table 2 compares Stow's 1940-2000 population history to sub-regional and state trends.

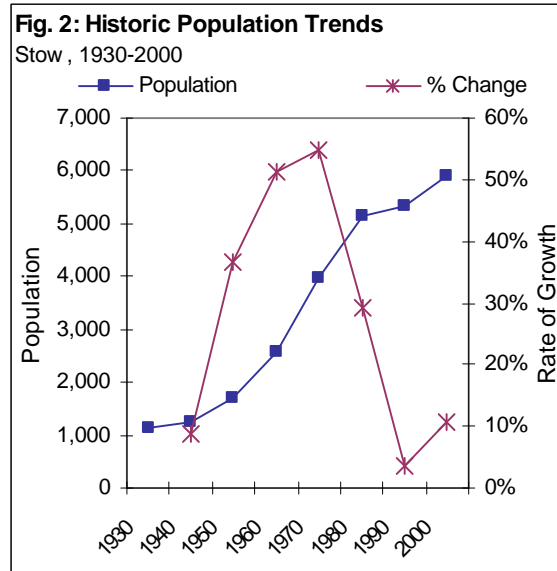


Table 2: Comparison Population Statistics

Geography	1940	1960	1980	1990	2000	% Change 1990-2000
Acton	2,701	7,238	17,544	17,872	20,331	13.8%
Bolton	775	1,264	2,530	3,134	4,148	32.4%
Boxborough	376	744	3,126	3,343	4,868	45.6%
Harvard*	1,790	2,563	3,744	4,662	5,230	12.2%
Hudson	8,042	9,666	16,408	17,233	18,113	5.1%
Lancaster*	2,963	3,958	5,034	6,289	6,211	-1.2%
Littleton	1,651	5,109	6,970	7,051	8,184	16.1%
Maynard	6,812	7,695	9,590	10,325	10,433	1.0%
STOW	1,243	2,573	5,144	5,328	5,902	10.8%
Sudbury	<u>1,754</u>	<u>7,447</u>	<u>14,027</u>	<u>14,358</u>	<u>16,841</u>	17.3%
Total	28,107	48,257	84,117	89,595	100,261	11.9%
Middlesex County	971,390	1,238,742	1,367,034	1,398,468	1,465,396	4.8%
Massachusetts	4,690,514	5,689,377	6,016,425	6,016,425	6,349,097	5.5%

**Sources:** MISER, "Population of Massachusetts Cities, Towns and Counties: Census Counts and Estimates, 1930-2000," in EXCEL [pop30-90, current.xls]; Census 2000, Summary File 1. Harvard and Lancaster population for 2000 excludes inmates of correctional facilities. Harvard population counts from 1950-1990 exclude military personnel and families stationed at Fort Devens.

<sup>9</sup> 1990 Census of Population and Housing and Census 2000, Summary File 1, Table DP-1, Census Tract 3231.

### Population and Age

As the town grew over the past decade, the age make-up of its population changed as well. The elderly as a percentage of the state's population dropped minimally from 13.6% in 1990 to 13.5% in 2000, but the opposite occurred in Stow, where elders made up 6.9% of the population in 1990 and 8.2% in 2000. In absolute terms, Stow's elderly population increased by 115 people or 31.1%, mainly among persons between 65-74, yet the same age group declined statewide by 7%. The high rate of growth among senior citizens in Stow contributes to the difference in median age between the town (38.8 years) and the state as a whole (36.5 years). However, Stow's experience differs in at least one other significant way. The in-migration of families during the 1990s led to a 17% increase in Stow's under-18 population, though the state's rose by only 10.9%. In addition, under-18 population growth statewide occurred among persons between 5-17 years of age while the pre-school population declined 3.7%, but in Stow, the pre-school population increased by 21% between 1990-2000, as shown in Table 3.

Table 3: Change in Age of Stow Population, 1990-2000

Age Cohort	1990	2000	% Change	Age Cohort	1990	2000	% Change
Under 5	419	510	21.7%	Age 45-54	842	1,039	23.4%
Age 5-17	1,004	1,157	15.2%	Age 55-64	418	660	57.9%
Age 18-24	420	246	-41.4%	Age 65-74	204	287	40.7%
Age 25-34	731	575	-21.3%	Over 75	166	198	19.3%
Age 35-44	1,124	1,230	9.4%				
Total Population	5,328	5,902	10.8%				
<u>% Population &lt;18</u>				<u>% Population &gt;65</u>			
Stow	26.7%	28.2%		Stow	6.9%	8.2%	
Massachusetts	22.5%	23.6%		Massachusetts	13.6%	13.5%	

Source: Bureau of the Census, 1990 Census of Population and Housing, Census 2000, Summary File 1.

### Race, Ethnicity and National Origin

Stow residents are primarily white (95.5%) and of Irish, English, or Italian descent. Among racial minority groups, the Asian population is Stow's largest (2.0%) and it is comprised mainly of Asian Indian, Chinese and Korean persons. Slightly more than one percent of Stow's current population is Hispanic.<sup>10</sup>

### Labor Force, Education & Employment

Stow's very high labor force participation rate of 75% and its higher-than-average share of families with two working parents shed light on the economic position of its households. As a group, local residents have high-paying jobs commensurate with their educational achievement: primarily managers and professionals, employed in manufacturing, research and development, science and technology, the health professions, education, and financial services, with 62% of the town's

<sup>10</sup> Census 2000, Summary File 1, Table DP-1; Summary File 3, Table DP 2.

over-25 population holding college, professional or graduate degrees. Like other affluent towns, Stow has a higher percentage of people working all or a portion of their week at home (5.8%) than elsewhere in the Commonwealth (3.1%),<sup>11</sup> and a much higher percentage of local residents (11%) are self-employed, compared to the state (6.4%). In addition, the town's unemployment rate typically runs much lower than the statewide or Metro-West regional unemployment rate, even during the recession of the early 1990s.<sup>12</sup> Except for the self-employed with a home occupation, business or professional office in town, most residents of Stow do not work locally. On average, they commute slightly more than one-half hour to work each day, mainly by car, to larger employment centers elsewhere in Middlesex County or to Boston.

Available data indicate that last year, Stow's 202 business, farm, government and non-profit establishments employed a total of 2,151 people and paid an average annual wage of \$62,042 per year, placing Stow among the state's top ten municipalities for wage competitiveness.<sup>13</sup> However, while the town offers a number of high-paying jobs, the modest size of Stow's employment base translates into about .67 jobs per person in the labor force. In addition, the strength of Stow's average annual wage belies important information about the structure and composition of the local economy: information that reinforces the necessity of non-local employment for most of the town's primary wage earners. "Average" means that the generally high salaries paid by manufacturing, government and some professional service employers – about 22% of Stow's total employment base – mask the lower wages paid by retail trade and personal services establishments. About 60% of all local employment is comprised of full- and part-time trade or service jobs.<sup>14</sup>

### Income and Wealth

Virtually every key indicator of local wealth gives proof to Stow's affluent reputation. Recent federal census data show that the town's median household income of \$96,290 places Stow in the top 20 of all 351 communities in Massachusetts, a status the town has enjoyed for at least two decades.<sup>15</sup> A number of towns near Stow also rank very high on the Commonwealth's roster of wealthy communities, including Sudbury, Harvard, Acton and Boxborough, as shown in Table 4.

---

<sup>11</sup> The percentage of persons working at home, either in home occupations or as tele-commuters, is most likely higher than suggested by decennial census data.

<sup>12</sup> Massachusetts Department of Employment and Training (DET), [database online], "Local Area Unemployment Series" (LAUS), 1983-2000.

<sup>13</sup> DET, ES-202.

<sup>14</sup> DET, "Annual Employment and Wage Summary for 2001: Massachusetts," 2002-2004.

<sup>15</sup> Census 2000, Summary File 3, Table DP-3; Boston Globe, 21 May 2002, citing 20-year decennial census data series and untitled press kit supplied by Bureau of the Census to New England media establishments, in EXCEL, "intoma14.xls," <<http://www.boston.com>> [cited 21 May 2002].

Table 4: Comparison Household Income and Wealth Data

	Median Household Income (\$)	State Rank	Total Households	% Household Income >\$200,000	Average Single- Family Home Value (FY02)	Ratio Local Tax Bill to State Median (FY02)
Acton	91,624	21	7,469	11.4%	380,802	2.23
Bolton	102,798	10	1,427	13.0%	335,096	2.09
Boxborough	87,618	28	1,867	11.5%	362,751	2.18
Harvard	107,934	8	1,817	16.6%	423,453	1.92
Hudson	58,549	141	6,984	2.3%	225,755	1.01
Lancaster	60,752	123	2,070	3.5%	218,092	1.28
Littleton	71,384	63	2,960	5.9%	236,809	1.21
Maynard	60,812	122	4,278	0.7%	200,783	1.38
STOW	96,290	17	2,089	7.0%	346,305	1.98
Sudbury	118,579	5	5,523	24.5%	432,961	2.87
Boston CMSA	52,699					
Massachusetts	50,502					

Sources: Census 2000, Summary File 3, Tables QT-P32, QT-P33; Mass. Department of Revenue (DOR), Municipal Data Bank. “CMSA” means “Consolidated Metropolitan Statistical Area,” a large region consisting of two or more metropolitan areas. The Boston CMSA includes the areas surrounding Boston, Lawrence and Worcester, and extends from Massachusetts into Connecticut, New Hampshire and Maine. Data cited above pertain only to the CMSA’s Massachusetts portion.

The upper-income position of most households in Stow directly reflects their sources of income and the educational backgrounds, occupations and size of the town’s labor force. More than 90% of Stow’s households have earned income, i.e., wage and salary income from employment, and not surprisingly, their mean annual earnings far surpass the mean earnings of households across the Commonwealth: \$106,037 in Stow, \$68,437 for the state as a whole. Stow’s adult population is prepared by education and training to compete for the best of jobs, a characteristic that applies equally to men and women. Among married-couple families, which constitute 72.2% of the town’s households, more than 60% of all wives work full- or part-time and the percentage of working women increases significantly for those with school-age or college-age children. Moreover, despite the persistence of a gendered income gap nationwide, employed women in Stow earn more per year than women elsewhere in Massachusetts: \$40,911 locally and \$32,059 across the state. The difference in male earnings is even more dramatic, for the median earned income of employed men in Stow (\$75,758) is 1.76 times that of all men across the state (\$43,048).<sup>16</sup> Finally, Stow residents enjoy not only high incomes, but also high property values. The average single-family home value in Stow ranks 45<sup>th</sup> in Massachusetts and this year, local

<sup>16</sup> Census 2000, Summary File 1, Table QT-10; Summary File 3, Tables QT-P26, DP-3. Mean earnings data apply to men and women employed full-time in 1999. Statewide, married-couple families constitute 49% of all households.

homeowners will pay the state's 33<sup>rd</sup> highest average single-family tax bill.<sup>17</sup> Not surprisingly, Stow's equalized valuation (EQV) per capita falls in the top quartile for the state as a whole.<sup>18</sup>

### Household Characteristics by Age Group and Neighborhood

Although Stow's households clearly enjoy a high standard of living, its population is not as homogenous as community-wide statistics may suggest. About 23% of all households in Stow have incomes below the region-wide median,<sup>19</sup> and while the incidence of moderate-income households increases significantly among persons over 65, the elderly alone do not account for economic differences that exist among Stow households. Incomes vary across town, and the differences seemingly correlate with other population characteristics: length of residency, age, household size and composition, housing tenure and the age and value of residential property.

For federal census purposes, all of Stow lies within one Middlesex County census tract that is subdivided into the five census block groups shown in Fig. 3. Geographic boundaries drawn by the Census Bureau most likely do not match local sensibilities about the meaning of "neighborhood," but they support a comparison analysis of growth and change across the town. Four of the block groups are populated while the fifth (Block Group 9) consists entirely of land owned by the U.S. Fish and Wildlife Service in the southeast corner of Stow. The smallest of the remaining four block groups (3) includes two of Stow's villages – Stow Center and Lower Village – while the largest (4) contains the villages of Gleasondale and Lake Boon. Another large area tracked by the Census Bureau, block group 5, extends generally west from Boxboro and Hudson Roads while the northeastern section adjacent to Acton and Maynard constitutes block group 1.

Since it covers a comparatively small area with two historic villages, block group 3 has the town's highest population density per mi<sup>2</sup> (570 people). Though block group 3 contains 19% of Stow's entire housing inventory, it has only 17% of the town-wide population. Not surprisingly, block group 3 also has a higher proportion of elderly households (20.8%), a higher percentage of renters (28.4%), and a much higher percentage of residents who moved to Stow 20 or more years ago (43.2%) than any other part of town. However, nearly 38% of its homeowners moved into their present house during the last half of the 1990s, the highest homeowner move-in rate of

---

<sup>17</sup> Mass. Department of Revenue, Municipal Data Bank [database online], "bill03.xls," [cited 14 December 2002]. Stow's home value and tax bill ranks are based on currently reported data for 279 cities and towns.

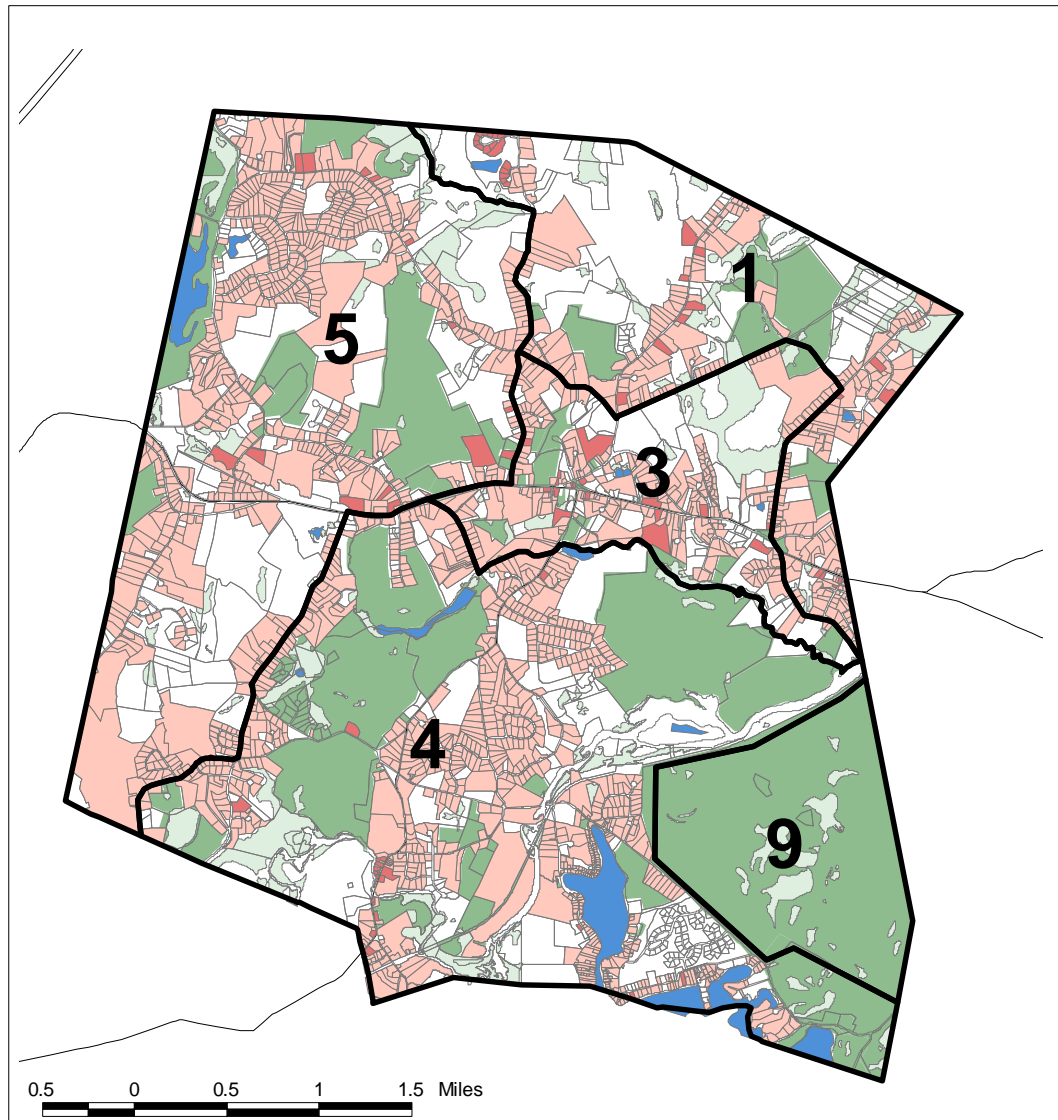
<sup>18</sup> Source: Municipal Data Bank [on-line database], in EXCEL, "eqv02.xls," [cited 18 October 2002]. FY02 Equalized Valuations (EQV) have been proposed by DOR but are not yet approved by the legislature. The above-cited statistics are *estimates* that reflect DOR's proposed FY02 EQV's for all cities and towns in the Commonwealth, divided by decennial census population counts. While somewhat lower than that of a few neighboring communities, Stow's EQV per capita of \$136,413 is nonetheless at the mid-point for demographically similar suburbs. Significantly, 28% of all land in Stow is non-taxable and 26% is differentially assessed for its forestry, farm and recreational use, i.e., under Chapter 61, 61-A and 61-B agreements.

<sup>19</sup> "Region-wide" refers to the Boston PMSA, and 23% represents the percentage of Stow households with incomes at or below \$65,500, the median household income for the region as of April 2000.



**Fig. 3****Census Block Groups**

Distribution of Existing Residential Development &amp; Open Space



Stow's four developed block groups. Relative to the town as a whole, more new single-family home development has occurred in block group 4 (central-south) than other sections of town, a trend that will likely continue as growth extends outward from Stow's traditional village areas.

The distribution of household incomes in Stow attests to unique demographic characteristics that exist at the neighborhood level and across age groups, and undeniably, between Stow and the state as a whole. For example, Stow's youngest householders – persons under 25 – have extraordinarily high incomes compared to other young citizens across the Commonwealth, and while householders age 45-54 constitute the highest-income group statewide, this is not the case in Stow, where in all census block groups, the median income of householders age 35-44 consistently exceeds the median for the town as a whole (see Table 5). The geographic and age group distribution of Stow's highest-income households, i.e., households with annual incomes over \$200,000, also sheds light on internal differences across the town. Though the town-wide percent of very-high-income households, 7%, is quite a bit lower than in several communities nearby, in Stow, their proportional share of aggregate household income is very high: nearly 25%. These distinctions are noticeably evident by census block group as shown in Table 5, but also by age of householder, as suggested in comparison Figures 4-5.

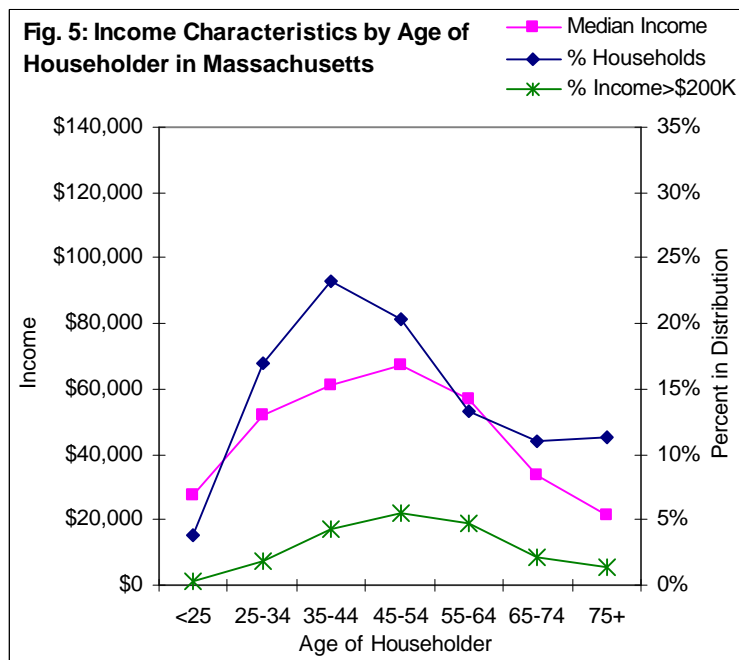
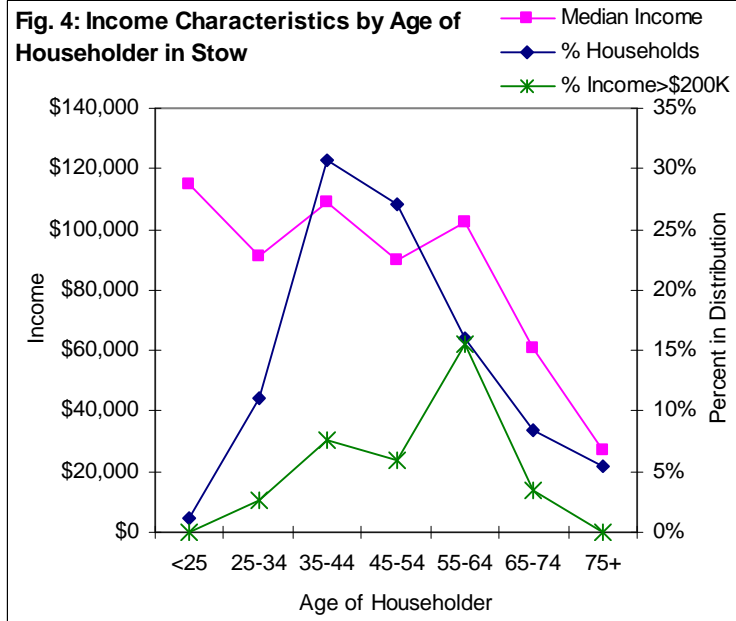


Table 5: Census Block Group Comparison Data

Characteristic	Census Block Group, Tract 3231			
	1	3	4	5
Total Area (in mi <sup>2</sup> )	2.8	1.8	6.6	5.3
<u>Population Characteristics</u>				
Population	742	1,016	2,335	1,809
Households	256	398	845	583
% Family Households	80.3%	69.6%	81.0%	87.2%
% Families w/ Children <18	51.9%	58.1%	52.1%	52.9%
Average Household Size	2.71	2.55	2.85	3.00
% Homeowners in Stow >20 Yrs	35.3%	43.2%	31.6%	29.7%
<u>Income Characteristics</u>				
Median Household Income	\$ 88,990	\$ 88,703	\$ 93,429	\$ 103,237
Aggregate Household Income	\$ 24,620,400	\$ 39,875,900	\$ 87,560,000	\$ 75,338,000
<u>Households w/ Income &gt;\$200,000</u>				
% Households	0.0%	2.6%	8.6%	10.4%
% Aggregate Household Income	0.0%	25.1%	21.8%	32.7%

Source: Bureau of the Census, Summary File 3, Tables P-1, P-9, P-54, P-55, QT-10.

## Housing Characteristics

Stow's homes are large, attractive and well maintained. While the pattern and density of residential land use differ somewhat across the town, Stow's housing stock is largely homogenous, comprised almost exclusively of detached single-family homes. As a result, most households are both families and homeowners. Approximately 90% of the town's 2,128 housing units are owner-occupied with an average of 2.95 persons per household. For many residents, their home is a cherished and valuable asset. About one-third of Stow's homeowners purchased their present house between 1995-2000 and paid an average of \$363,000 for it, after the market rebounded from the recession of the early 1990s.<sup>20</sup> Like other communities nearby, Stow has a highly competitive housing market and during the past decade, the median single-family sale price nearly doubled.<sup>21</sup> Despite the high cost of a home in Stow, houses for sale move quickly, as evidenced by the town's extremely low owner-occupied vacancy rate of .3%.<sup>22</sup> When the last decennial census was taken in April 2000, there were 18 single-family homes on the market in Stow with a median asking price of \$290,900.<sup>23</sup>

<sup>20</sup> Stow Assessor's Office, "FY03 Parcel Data," in EXCEL format [barrett.xls], 9 November 2002, and Census 2000, Summary File 3, Table QT-H7: Stow.

<sup>21</sup> Banker & Tradesman "Free Market Statistics," [database on-line], Boston, Massachusetts, available at <<http://www.thewarrengroup.com/html>>, INTERNET [accessed December 2002].

<sup>22</sup> Census 2000, Summary File 1, Table DP-1: Stow.

<sup>23</sup> Census 2000, Summary File 3, Table QT-H6: Stow.

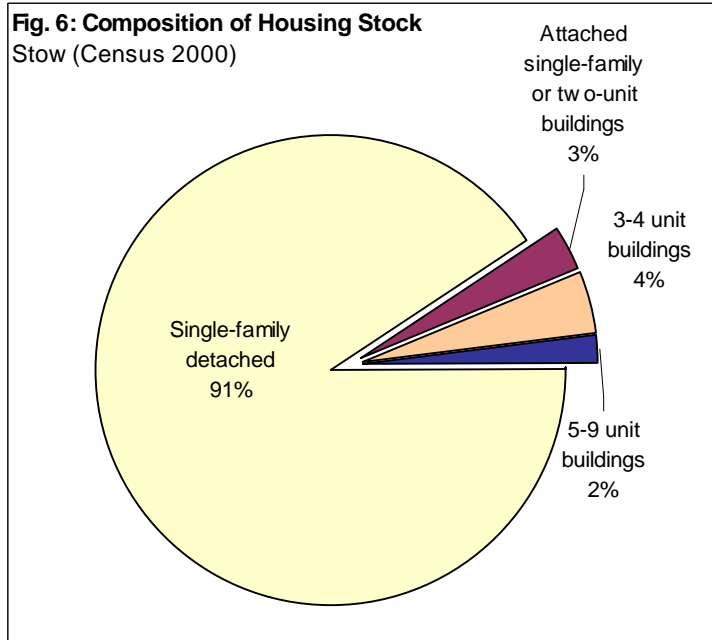
### Housing Stock

Stow's housing stock is comprised overwhelmingly of single-family homes, but the exceptions shed light on Stow's visual and social character a century ago. Figure 6 depicts the distribution of housing units in various types of residential buildings and shows that common-wall or attached units constitute about 9% of all homes in Stow. However, the data mask some important features of these units, namely their age and relationship to the town's physical evolution. For example, 43 two-family homes are scattered about the villages and in

some of the town's outlying neighborhoods, and a limited number of three- and four-family residences can be seen in Gleasondale, along Route 117 and on West Acton Road. Virtually all of these homes pre-date the zoning bylaw, most having been built between 1860-1920. About ten homes in Stow are actually mixed-use buildings, i.e., a dwelling unit and commercial space in one structure, located mainly along Route 117, and they, too, are quite old. Small clusters of condominium units were just built near Boxborough, and Stow also has two small multi-family housing developments, both built in the early 1990s.

Since single-family homes are so prevalent in Stow, their characteristics and the diversity that exists among them have character-defining importance for the entire town. New and older 20<sup>th</sup> century homes differ somewhat in terms of size, amenities, value and lot size. The most recent additions to Stow's housing inventory contain an average 2,752 ft<sup>2</sup> of living area, with 4-5 bedrooms and 2.5 or more bathrooms, and they occupy parcels of about 2.12 acres. In contrast, homes built between the wars (1920-1945) average 1,455 ft<sup>2</sup> of living area, 2-3 bedrooms, and lots of about 1.01 acres. The spread in property values is also significant. The average assessment for new homes is \$488,508, yet the 149 houses built during the 1930s and 1940s are assessed, on average, at \$284,000. In contrast, single-family homes that pre-date 1900 are more like new houses in terms of size and value. Historic property assessments of \$350,000-\$425,000 are fairly common in Stow, yet often, the assessments are driven more by the value of land than by the house. The average ratio of land to building value among Stow's oldest homes is 1.13, but for recently built homes it is .86 (see Fig. 7). To some extent, the higher proportional value of land is a surrogate for the larger average lot area (2.5 acres) that typifies historic single-family houses in Stow. However, the more significant difference can be found in the value of the improvements – namely, the home itself. As suggested by Figure 8, the average building value of new homes is 1.5 times that of homes built prior to 1900, but 2.3 times the building value of homes constructed between the wars.

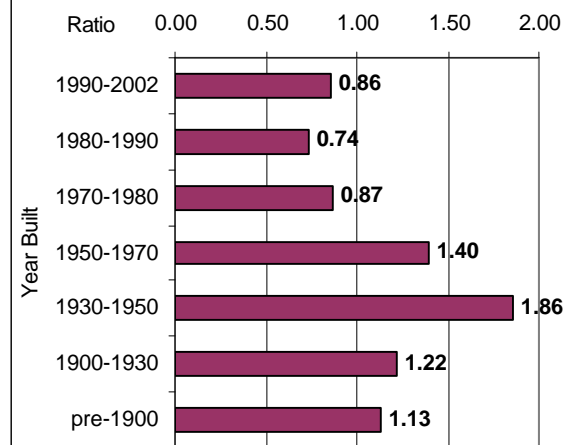
**Fig. 6: Composition of Housing Stock**  
Stow (Census 2000)



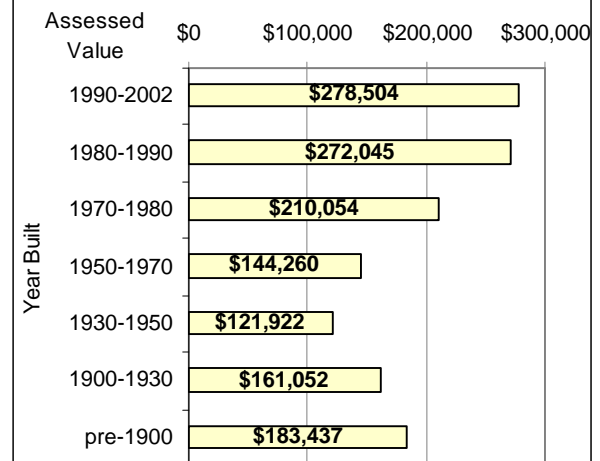
Though the vast majority of single-family residences occupy conventional house lots along the town's main roadways, Stow has a noteworthy collection of about 41 homes on large tracts of land. Agricultural, forested and recreational open space, accounting for about one-fourth of all land in Stow,<sup>24</sup> typically includes one or more residences and often, a business. In terms of architectural style and use, nearly all of the homes are single-family dwelling units, yet in several ways they differ from other single-family homes.

First, the residence usually intertwines with an operation that depends on an income-producing use of land, e.g., an orchard, a tree farm or a commercial recreation facility. As a result, the acreage associated with each residence usually exceeds the amount of land owned by a typical single-family homeowner. In Stow, the ratio is about 44 acres of land for a farm home to one acre for a conventionally developed home. Second, the property may be a family holding and when controlled by the same family for several generations, it often develops incrementally as small portions are transferred to adult children for their own house lots. Evidence of this practice can be seen in the parcel configuration of some farm and forestry properties in Stow today. Third, the homes on these properties tend to be larger, with an average living area of 2,637 ft<sup>2</sup>. They are also older, for the median year built among farm, forest and recreation area homes is 1940 while among standard single-family homes, it is 1970. Occasionally, the remnants of former farms or family estates endure in much smaller holdings that retain more than one residential building, such as a single-family home and a turn-of-the-century carriage house or an apartment in the loft or rear of a barn. Stow has at least 18 of these properties, located mainly in outlying sections of town as would be expected given their original use. Together, they account for approximately 40 housing units.<sup>25</sup>

**Fig. 7: Ratio of Land to Building Value by Age of Single-Family Homes**



**Fig. 8: Average Building Value by Age of Single-Family Home**



<sup>24</sup> For purposes of this description, "open space" refers to land under Chapter 61, 61-A and 61-B agreements in Stow. Collectively, the properties encompass 2,820 acres of land.

<sup>25</sup> Stow Assessor's Office, FY03 Parcel Data; calculations derived by author.

The nominal inventory of multi-family housing in Stow helps to explain two salient features of the town: its strikingly low rental vacancy rate of .7%, and the prevalence of single-family homes in the renter-occupied housing inventory.<sup>26</sup> Nearly 40% of all units occupied by tenants are single-family homes, located randomly throughout the town. The remaining units are in older two-, three or four-unit buildings or in two small rental housing developments near Lower Village. About 13% of all renters living in Stow have occupied the same dwelling unit for 20 or more years. Since so much of the town's rental housing overlaps with the supply of single-family homes, rental units are somewhat larger in Stow than in the state as a whole, though its average renter household size is smaller: 1.94 persons per household locally compared to 2.17 for Massachusetts overall.

## Housing Market

Most of the state's high-growth communities are nestled between Boston's two circumferential highways, Route 128 and I-495, and on Cape Cod and the Islands. Stow is among the "I-495 Corridor" towns that has experienced rapid population change since the mid-1980s, owing to the outward movement of economic growth throughout Eastern Massachusetts. They are small, predominantly family-oriented communities that retain vestiges of their rural past: traditional town centers surrounded by agricultural and scenic open space, with a few satellite village nodes in outlying areas – villages that could never be replicated under the zoning adopted by virtually all of these towns. Suburbanization has altered their historic development pattern by introducing homes along old, winding roads and, in some towns more than others, by opening the back land to new development with modern subdivision streets. Despite the high cost of living in Stow's corner of the Commonwealth, most of these communities have been pressed to house new families at a pace that surpasses the rate of new-home production.

### Homebuyers

Like natural resources, housing markets do not recognize municipal boundaries. Market choices are made on the basis of household income – what a buyer can afford – and depending on the composition of regional markets, such factors as the quality of public schools, commute distance and convenient highway access narrow the field. Ultimately, homebuyers may investigate homes for sale in a small area, i.e., a cluster of towns that seem more or less equal in terms of their advantages. The preferences of homebuyers, developers and the communities themselves, by the choices they make to zone land, converge to shape housing demand and supply characteristics at local and sub-regional levels.

Stow forms a sub-regional market with neighboring Acton, Boxborough, Harvard and Bolton, which attract demographically similar home seekers and offer a comparable range of housing prices, with Stow's on the lower end of the continuum and Harvard's on the highest (see Figures 9 and 10). These communities share an overlapping supply and demand relationship even though they differ in numerous ways. Together, they bring four qualities to the housing market: a housing inventory unified by spacious single-family homes, scenic open space, high-quality school and town services, and prestige. A majority of their new homebuyers are upper-income families who have, or will have, school-age children, as the Department of Education recognized in a

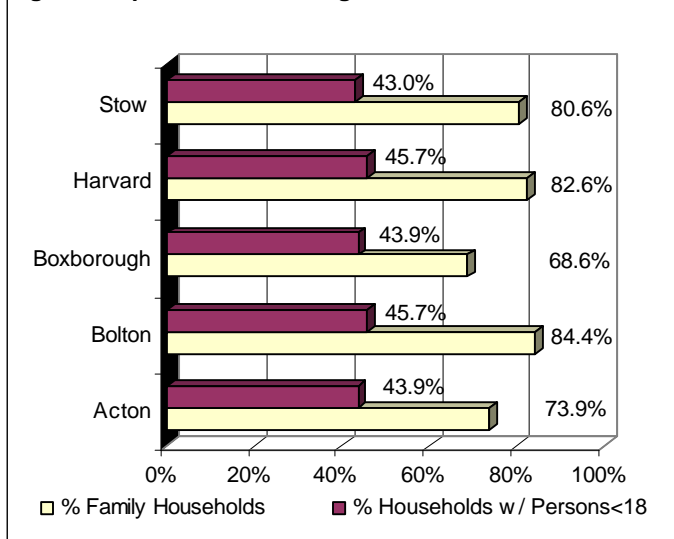
---

<sup>26</sup> Census 2000, Summary File 3, Table DP-1, Stow.

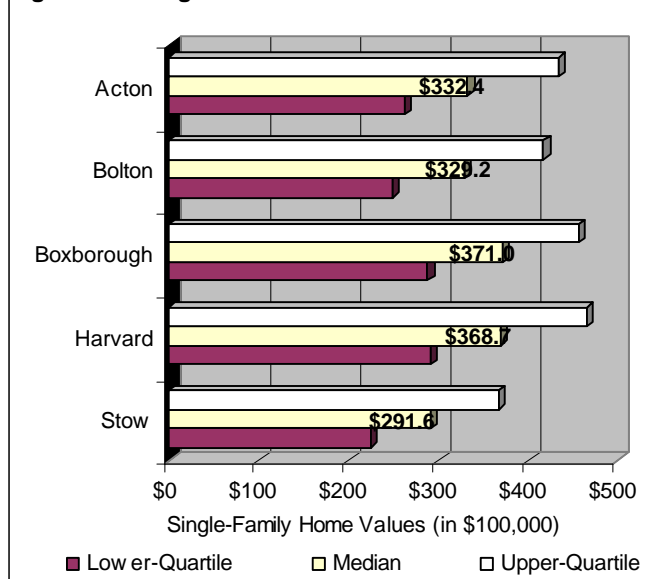
recent study of statewide school enrollment growth during the 1990s.<sup>27</sup>

To some extent, market conditions in Stow and other towns nearby can be traced to a complex weave of federal and state policies: interstate highways that opened once-rural areas to new growth, housing policies that siphoned investment away from cities, and public finance policies that sway municipalities to attract business growth in exchange for the promise of tax revenue. The sub-region's current residents may lament recent rates of population and housing growth, but few people in these communities remember when Boxborough was home to a mere 376 citizens (1930). The completion of Route 2 (1950) caused Acton's population to skyrocket by 168% over the course of two decades, only to increase by another 142% between 1960-1980, the era that produced I-495. Stow, Boxborough and Bolton were similarly affected, and on the eve of the 1980 federal census, all five towns had seen an explosive 20-year period of sustained residential development – a period that produced about 44% of today's owner-occupied housing units, as shown in Table 6.

**Fig. 9: Composition of Sub-Region Households**



**Fig. 10: Sub-Region Continuum of Home Values**



<sup>27</sup> Massachusetts Department of Education, "Foundation Enrollments in Massachusetts Cities and Towns, 1993-1999," in EXCEL [founden\_app.xls], INTERNET at <<http://state.ma.us/doc>> [updated 4 January 2000; cited 28 January 2000].

Table 6: Sub-Regional Age of Housing Stock

Year Built	Acton	Boxborough	STOW	Bolton	Harvard	Sub-Region
All Housing Units						
1990-2000	916	452	315	395	208	2,286
1980-1989	872	246	277	239	359	1,993
1970-1979	2,141	750	501	277	415	4,084
1960-1969	1,818	207	291	200	259	2,775
1950-1959	881	121	255	60	224	1,541
1940-1949	184	18	107	33	36	378
1939 or earlier	868	112	382	272	394	2,028
Total	7,680	1,906	2,128	1,476	1,895	15,085
% Built 1960-1980	51.5%	50.2%	37.2%	32.3%	35.6%	45.5%
Owner-Occupied Units						
1990-2000	798	445	298	386	188	2,115
1980-1989	632	124	198	220	343	1,517
1970-1979	1396	432	443	261	397	2,929
1960-1969	1453	133	248	178	240	2,252
1950-1959	771	77	206	52	210	1,316
1940-1949	111	18	88	33	19	269
1939 or earlier	539	78	330	200	241	1,388
Total	5700	1307	1811	1330	1638	11,786
% Built 1960-1980	50.0%	43.2%	38.2%	33.0%	38.9%	44.0%

Source: Bureau of the Census, Census 2000, Summary File 3, Tables H-34, H-35.

Long before the 1990s sparked a new wave of demand for homes throughout the state, the seeds of present-day conflicts about housing were planted in Stow and neighboring towns. Zoning bylaws written to limit growth and protect town character gave rise to a low-density development pattern with large single-family homes, making the amount of land consumed per dwelling unit very high, expensive and visible. As the youngest of the “Baby Boomers” began to form new households a decade ago, they sought suburban housing: most of them had been suburban children, and a large percentage of the state’s highest-paying jobs are in suburban locations. In Massachusetts, the housing pipeline was poorly equipped to handle the resulting demand for homes: the state’s 8.7% growth in households between 1990-2000 was met by only a 6% increase in housing units. Table 7 shows that the same trend occurred throughout Stow’s market area, for the rate of household growth consistently exceeded the rate of housing unit growth. In three of the five communities, the rate of household growth also surpassed the rate of population growth. Households – not population – create housing demand.



Table 7: Population, Household and Housing Unit Growth, 1990-2000

	Acton	Boxborough	STOW	Bolton	Harvard	Sub-Region
<i>Population</i>						
1990	17,872	3,343	5,328	3,134	4,662	34,339
2000	20,331	4,868	5,902	4,148	5,230	40,479
% Change	13.8%	45.6%	10.8%	32.4%	12.2%	17.9%
<i>Households</i>						
1990	6,600	1,363	1,793	1,052	1,573	12,381
2000	7,495	1,853	2,082	1,424	1,808	14,662
% Change	13.6%	36.0%	16.1%	35.4%	14.9%	18.4%
<i>Housing Units</i>						
1990	6,891	1,485	1,853	1,097	1,681	13,007
2000	7,680	1,906	2,128	1,476	1,911	15,101
% Change	11.4%	28.4%	14.8%	34.5%	13.7%	16.1%

Source: Bureau of the Census, 1990 Census of Population and Housing, Census 2000, Summary File 1, Table DP-1.

Stow's extraordinarily low homeownership vacancy rate suggests that properties for sale move quickly and that the level of market demand surpasses the available supply of homes. Throughout the 1990s, the median sale price of single-family homes increased by 71%. Like the neighboring towns in its sub-region, Stow is largely a "buy-up" market: a prestigious community that attracts second-time homebuyers. For most of these people, "buy-up" means a new or larger house that needs little improvement; occasionally, Stow has offered older, more affordably priced homes that increase significantly in value with investment in renovations, an addition or modernization. For every new single-family home permit issued in Stow during the 1990s, there have been 6-7 permits issued for substantial home improvement projects: expansions, second-story additions, and major investments in remodeling.<sup>28</sup> Both new-home construction and re-investment in residential properties have contributed to the 61.2% increase in Stow's single-family home values since 1999.<sup>29</sup> For Stow homeowners, the median monthly cost of a mortgage payment, taxes and insurance is \$1,825, although homeownership costs vary across town. In the south and west sections of Stow where most of the town's new homes have been built (block groups 4 and 5), the median monthly expenditure for owner-occupied housing is about \$1,900.<sup>30</sup>

### Rental Market

The geography of Stow's rental market area differs from its homebuyer area. A prospective renter has fewer choices than homebuyers because the supply of rental housing is so scarce,

<sup>28</sup> Stow Annual Town Reports, 1990-2000. See Reports of Building Inspector. Data compiled by author.

<sup>29</sup> Mass. Department of Revenue, Municipal Data Bank [database online] "Average Single-Family Tax Bill," in EXCEL file format as "bill98.xls" sequentially through "bill03.xls," available at <<http://www.massdor.gov/>>, INTERNET [cited January 2002; January 2003].

<sup>30</sup> Census 2000, Summary File 3, Table H-91.

whether in Stow or elsewhere in the Commonwealth. In addition, the rental housing inventories in some towns are comprised of many age-restricted units, such as elderly housing owned by housing authorities or private investors, which means that portions of the rental inventory are unavailable to a larger market of tenants. As a result, persons seeking rental housing are typically required to search across a larger area than is the case for homebuyers – not only to find a vacant rental unit, but also a unit they can afford. Furthermore, the needs of prospective tenants vary considerably: young citizens looking to establish their independence, families relocating from other parts of the county, who may want a short-term rental while they search for home to buy, senior citizens who no longer want the burden or expense of homeownership, and households that cannot afford to buy a home or simply prefer to rent. Accordingly, some renters need longer-term living arrangements while others may be tenants for less than a year. The substantially different circumstances of renters complicate the meaning of “rental housing market,” for the demand side is not at all homogenous. As for the supply side, at least four conditions exist in Stow and nine nearby towns with overlapping market characteristics: the supply is small, expensive in relation to renter incomes, older than the supply of homeownership units, and in many cases vulnerable to homeownership conversion.

By policy, Stow and most towns nearby discourage or prohibit multi-family housing development through one or more land use controls, e.g., confining allowed residential uses to detached single-family homes, restricting density to one dwelling unit per acre (or more), or allowing attached housing units at a density high enough to attract some condominium development but not high enough to attract rental development. Given these and other constraints on multi-family housing, it is not surprising to find that single-family homes contribute nearly 20% of all renter-occupied units in the ten-town area, reaching as high as 80% in Bolton. Moreover, the renter-occupied inventory is generally old. While many of these communities absorbed significant residential growth during the 1990s, rental units constituted only a fraction of the housing pipeline. Throughout the area, 5.5% of all renter-occupied housing was built between 1990-2000 while 58% pre-dates 1970. The ten communities contain a total of about 7,600 rental units, or nearly 21% of their combined housing stock. Together, Acton and Hudson account for more than 50% of these units while Stow, Harvard and Bolton have less than 8%, yet though they contain 16.5% of the region’s owner-occupied homes.<sup>31</sup> Table 8 summarizes basic rental housing characteristics in Stow’s region.

Stow’s rental housing inventory consists of about 270 units that were fully occupied when the last federal census was taken in April 2000.<sup>32</sup> The 3.8% rental vacancy rate that existed in Stow a decade ago has been eclipsed by intense market pressure, a condition found throughout the state. Nearly 40% of all renter-occupied units in Stow are single-family homes while a majority of the other units are in two multi-family developments built in the late 1980s. Stow also has a small complement of rental units in older mixed-use buildings and two- or three-family homes. The character of Stow’s rental housing stock differs quite a bit from that of neighboring Acton, where several apartment complexes built between 1960-1980 provide 59% of the town’s entire rental

---

<sup>31</sup> Census 2000, Summary File 3, Table H-7.

<sup>32</sup> Of the town’s 46 vacant units, only 18 were for sale on April 1, 2000. The remaining vacant units are seasonal or vacation homes and a few were not available for occupancy, i.e., classified by the Census Bureau as “other vacant.”

housing inventory, or Hudson, which has a mix of apartments from the same era along with a considerable supply of much older rental housing stock, much like Maynard. Nonetheless, the ten-town area provides a continuum of rental housing in terms of type, quality, access to community and transportation services, and price.

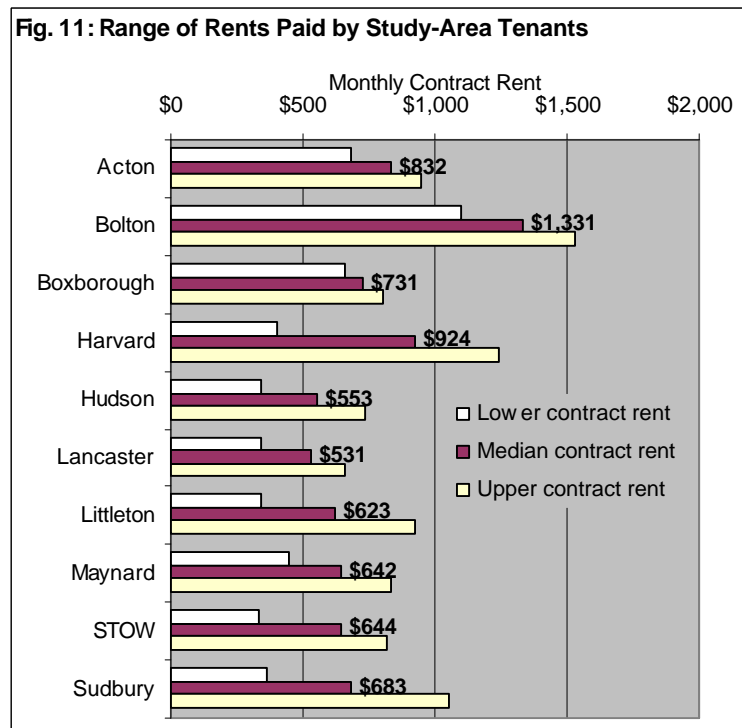
Table 8: Age and Composition of Study Area's Rental Housing Stock

	Renter- Occupied Units	Year Built				% Single- Family Homes	% Apartment Buildings of 5+ Units
		1990- 2000	1980- 1990	1970- 1980	Pre-1970		
Acton	1,795	83	225	692	795	10.0%	70.3%
Bolton	94	6	0	16	72	80.9%	0.0%
Boxborough	546	7	108	290	141	9.7%	81.1%
Harvard	171	20	7	12	132	57.9%	11.7%
Hudson	2,031	148	353	314	1,216	13.4%	50.9%
Lancaster	431	18	18	42	353	32.3%	29.0%
Littleton	499	29	97	69	304	29.7%	36.7%
Maynard	1,290	16	118	178	978	16.3%	35.6%
STOW	271	17	79	40	135	39.1%	15.5%
Sudbury	444	72	67	68	237	47.7%	30.6%

Source: Census 2000, Summary File 3, Tables H-7, H-32, H-36.

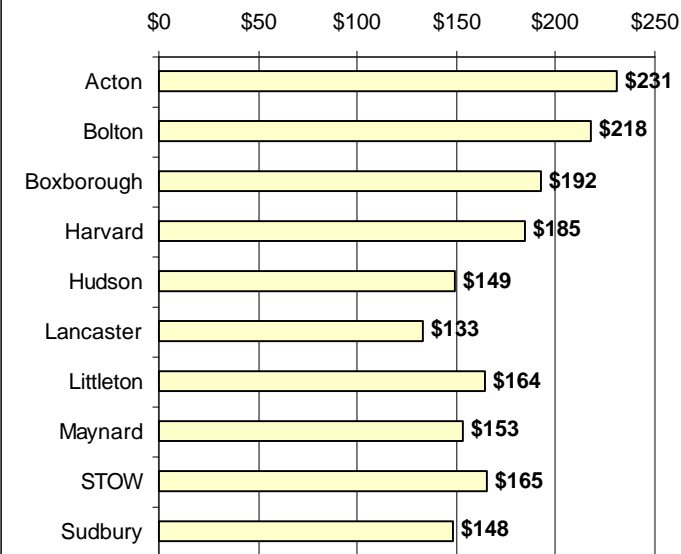
Rental units recycle more rapidly than homeownership units, such that in Stow, the median move-in year for tenants is 1997 while for homeowners, it is 1989. Throughout the market study area, renters generally relocate in 24- to 30-month cycles, based on the average ratio of households that moved into their present apartments during the mid-1990s to those who moved in during the early 1990s and remained for the rest of the decade. However, long-term tenancies are found in every community, notably Bolton, where nearly 40% of the town's renters have occupied the same dwelling unit for more than 20

years. In fact, the percentage of long-term renters in Bolton surpasses that of long-term homeowners. Table 9 supplies a summary-level profile of renter households in the study area.



Renter household circumstances and housing needs differ from town to town, but a seemingly universal condition for tenants in Stow's region is the relatively high cost of housing in relation to income. Measured by monthly rents alone, i.e., excluding utility costs not included in rent, tenants pay anywhere from an average of about \$550 per month for units in Hudson and Lancaster to a staggering \$1,300 average monthly rent in Bolton (see Fig. 11). To some extent, the variation in rental prices reflects the size and type of rental structure, unit sizes, and the

**Fig. 12: Average Rental Costs Measured on a Per-Room Basis (2000)**



percentage of rental housing stock that is subsidized by federal or state sources. In Acton where there is very little subsidized rental housing, contract rents run an average of \$850 for comparatively small apartments, e.g. a median of 3.6 rooms per rental unit. On a price-per-room basis, Acton and Bolton offer the most expensive rental housing and Lancaster, the lowest, with Stow at the mid-point for the ten-town area. These data represent rents as of April 1, 2000, but while rental charges have undoubtedly increased since then, the order-of-magnitude relationship between rents in each community (Fig. 12) has most likely remained the same.

**Table 9: Household Characteristics of Study-Area Renters**

	Renter-Occupied Units	% Family Households	Average Size Renter Household	Median Renter Household Income	Median Move-In Year	% Long-Term Tenants <sup>33</sup>
Acton	1,795	38.6%	1.73	\$ 47,259	1998	2.3%
Bolton	94	44.7%	1.70	\$ 44,318	1997	39.4%
Boxborough	546	40.5%	1.71	\$ 52,778	1998	1.1%
Harvard	171	45.6%	2.03	\$ 45,179	1998	11.1%
Hudson	2,031	47.0%	1.93	\$ 32,893	1996	6.4%
Lancaster	431	48.3%	2.18	\$ 41,118	1997	1.9%
Littleton	499	34.1%	1.74	\$ 31,595	1997	4.6%
Maynard	1,290	39.8%	1.89	\$ 30,833	1997	5.4%
STOW	271	54.2%	1.42	\$ 39,632	1996	4.4%
Sudbury	444	52.7%	2.61	\$ 34,583	1997	6.5%

Source: Census 2000, Summary File 3, Tables H-7, H-18, H-34, H-39, HCT-12.

<sup>33</sup> "Long-term tenant" includes tenants who moved into their present apartment prior to 1980.

Prospective renters – those in search of an apartment– face low odds of finding moderately priced housing in Stow’s market area. In April 2000, there were only 180 vacant apartments for rent in the ten-town region, though none in Stow or neighboring Sudbury. More than 30% of the units were on the market for rents of \$1,000 or more per month, with the highest-price units in Acton, Bolton and Harvard and the lowest in Maynard. However, for both existing and soon-to-be renters, the issue is not only monthly rents charged by landlords, but also the added cost of utilities. Depending on the type of housing unit and whether it is subsidized, utility costs add anywhere from \$35 to \$95 per month to the base rent paid by the region’s renter households. Table 10 compares total rental housing costs to renter incomes, and provides a breakdown of apartments for rent and the median rent asked in each community.

Table 10: Renter Incomes and Rental Housing Costs

	Renter- Occupied Units	Median Renter Household Income	Median Gross Rent	Gross Rent as % Median Household Income	Vacant Units for Rent	Median Rent Asked for Vacant Units
Acton	1,795	\$ 47,259	\$867	22.0%	51	\$891
Bolton	94	\$ 44,318	\$1,331	36.0%	4	\$1,125
Boxborough	546	\$ 52,778	\$786	17.9%	20	\$856
Harvard	171	\$ 45,179	\$964	25.6%	4	\$2,000
Hudson	2,031	\$ 32,893	\$632	23.1%	20	\$1,023
Lancaster	431	\$ 41,118	\$609	17.8%	2	\$525
Littleton	499	\$ 31,595	\$680	25.8%	11	\$525
Maynard	1,290	\$ 30,833	\$730	28.4%	68	\$196
STOW	271	\$ 39,632	\$739	22.4%	0	\$0
Sudbury	444	\$ 34,583	\$756	26.2%	0	\$0

Source: Census 2000, Summary File 3, Tables H-7, H-19, H-56, H-60.

## Housing Affordability

### Chapter 40B

Though Stow has some lower-cost homes, they do not meet the definition of an affordable housing unit under state law. In Massachusetts and most states across the country, the term “affordable housing” means homes made affordable to lower-income households by a deed restriction or covenant that restricts sale prices and rents as the units are vacated, sold or leased to new tenants. Stow has 117 units of housing that qualify as “affordable” under Chapter 40B,<sup>34</sup> a law that is highly controversial in most communities because it overrides local zoning regulations

<sup>34</sup> Department of Housing and Community Development (DHCD), Chapter 40B Subsidized Housing Inventory [database online], available at <<http://www.mass.gov/dhcd.html>> INTERNET, [updated April 2002; cited April, August 2002].

that make low- and moderate-income housing economically infeasible to build. The device that overrides local zoning is known as a comprehensive permit.

Enacted in 1969, Chapter 40B establishes a legal presumption of unmet housing needs when less than 10% of a community's year-round housing stock is affordable to households at or below 80% of median family income. Generally, communities that do not meet the 10% threshold must issue a comprehensive permit unless there is an unusual or compelling basis to deny one. Developers, in turn, may ask the state's Housing Appeals Committee (HAC) to overturn a local Zoning Board of Appeals decision. In most cases they negotiate a compromise with town officials, but HAC's less frequent overrides have left a lasting impression on communities and form the basis for most of the opposition from local governments today.

Stow's inventory of low- and moderate-income housing includes 110 apartments, including 50 age-restricted, and seven homeownership units. These 117 units equal 5.55% of Stow's year-round homes. Across the Commonwealth, 8.45% of all houses and apartments meet the statutory definition of "low- and moderate-income housing units," yet only 27 of the state's 351 communities have produced enough subsidized housing to satisfy the 10% goal. Though cities top the list for affordable housing production, a few towns also exceed 10%. Table 11 shows that subsidized housing as a percentage of all year-round homes in Stow and neighboring communities varies quite a bit. Across the ten-town region, there are 1,457 Chapter 40B units or 4.56% for the area as a whole. Hudson tops the list for number of Chapter 40B units and Littleton, for percentage, though among the region's most affluent communities, Stow ranks first for its percentage of subsidized housing units. In Massachusetts suburbs, the average percentage of Chapter 40B units is 2.77%.<sup>35</sup>

Table 11: Subsidized Housing Inventory, Stow Regional Communities

	Year-Round Homes	Total Development Units 2001	Chapter 40B Units	% Subsidized 2000 Base
Acton	7,645	182	158	2.07%
Bolton	1,472	28	14	0.95%
Boxborough	1,900	48	12	0.63%
Harvard	2,156	33	33	1.53%
Hudson	7,144	497	477	6.68%
Lancaster	2,103	74	74	3.52%
Littleton	3,018	240	240	7.95%
Maynard	4,398	332	332	7.55%
STOW	2,108	135	117	5.55%
Sudbury	5,582	250	214	3.83%
Combined	31,944	1,569	1,457	4.56%

Source: DHCD Chapter 40B Inventory (2002).

<sup>35</sup> Affordable housing percentages derived from DHCD Subsidized Housing Inventory; "suburban communities" refers to 53 towns defined as suburbs in Department of Revenue "Kind of Community" classification system.

### Other Measures of Affordability

The legislature's intent in enacting Chapter 40B was to assure a "fair-share" distribution of low-income housing across the state, but housing policy analysts do not define affordable housing need on the basis of a fixed 10% standard. The national definition of housing affordability assumes that a home is affordable to its owners if their monthly housing costs – a mortgage payment, property taxes, and house insurance – are equal to or less than 30% of their monthly gross income. Similarly, an apartment is considered affordable to tenants if they pay 30% of their gross monthly income, or less, for rent and utilities. Under these criteria, "affordable housing need" exists when households pay more than 30% of their gross income for housing costs. In housing industry parlance, they are classified as "housing-cost burdened." According to recent federal census data, 23.4% of all homeowners in the Boston metropolitan area and 22.1% in Stow qualify as housing-cost burdened. The condition is more pronounced among renter households, for 36.9% of Boston-area tenants pay more than 30% of their monthly income for rent and utilities, compared to 31.4% in Stow.<sup>36</sup> Table 12 reports the incidence of rental housing cost burden in Stow and other communities nearby, particularly among elderly and renters with very little income.

Table 12: Incidence of Rental Housing Cost Burden, Stow and Region

	Renter Households	% Cost Burdened	Elderly Renters	% Cost Burdened	Very Low- Income Renters	% Cost Burdened
Acton	1,795	29.5%	197	46.2%	644	74.1%
Bolton	94	16.9%	10	0.0%	10	0.0%
Boxborough	546	19.7%	14	0.0%	134	64.2%
Harvard	171	30.3%	26	26.9%	79	43.0%
Hudson	2,031	29.5%	465	41.3%	1045	51.8%
Lancaster	431	24.7%	108	30.6%	199	52.8%
Littleton	499	35.5%	151	43.0%	267	57.7%
Maynard	1,290	37.3%	275	42.2%	734	61.2%
STOW	271	31.4%	60	41.7%	121	60.3%
Sudbury	444	41.2%	135	52.6%	224	69.2%

Source: Census 2000, Summary File 3, Tables H-71, H-73.

In a competitive real estate market like Stow's, the cost of housing creates a significant challenge for lower-income households. The measure of "low-income" varies by household size and region. By federal definition, a low- or moderate-income household has annual income equal to or less than 80% of the area median income, adjusted for household size. Each year, the U.S. Department of Housing and Urban Development (HUD) publishes income eligibility guidelines for various housing assistance programs. Recent HUD statistics show that about 18% of Stow's population is low- or moderate-income – up from 11.5% a decade ago.<sup>37</sup>

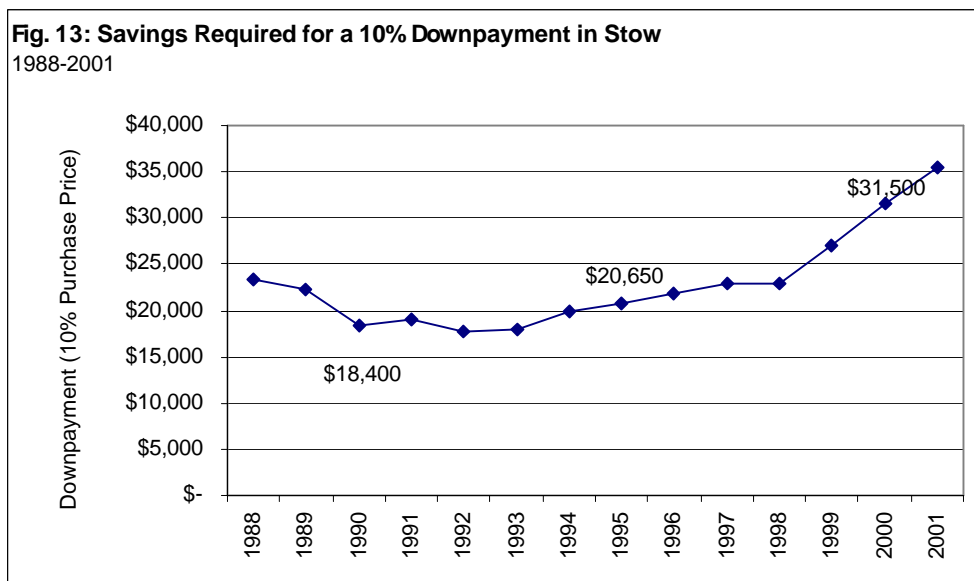
<sup>36</sup> Census 2000, Summary File 3, Tables DP-4 and H-84.

<sup>37</sup> Standard Census 2000 data tables do not measure low- and moderate-income households. HUD works with the Census Bureau to estimate each community's low- and moderate-income population by cross-tabulating household size and income cohorts. A conservative estimate can

### Affordability Gap

Almost everyone in the United States aspires to own a home, and since the 1930s federal housing policies have effectively subsidized homeownership – through income tax deductions for mortgage interest and real estate taxes, federal home mortgage insurance, and more recently, low-interest loans and grants that help moderate-income people transition from renter to homeowner. Often, home-seekers have more resources than a mortgage lender requires, such as equity to invest from the sale of a previous home or a gift or loan from family members. However, households with only their savings to put toward a downpayment find homebuying more difficult. First, while saving to purchase a home they must also pay rent, and because apartments are so scarce, market rents have become very expensive. Second, since the purchase price of a house usually determines the downpayment amount, first-time homebuyers end up saving toward a moving target, as suggested in Fig 13: the sale price of homes in a very tight real estate market.

Under conventional loan underwriting standards, homebuyers at Stow's median household income of \$96,290 can afford a purchase price of about \$299,905.<sup>38</sup> For them, the town's median single-family home sale price of \$354,000 (2001) translates into an "affordability gap" of \$54,095 – meaning the difference between the sale price and the purchase price they can afford. A sale price of \$354,000 is also high enough to preclude 45% of Stow's present households from



be made today from the number of households with incomes below the one-person household tier (meaning the lowest tier) in HUD's income guidelines for 2000. In the Boston metro area, 31.6% of all households earned \$35,000 or less, and in Stow, 14.4%, as of April 2000. Stow's average household size is 2.82 persons and in 2000, 17.9% of its households had incomes below HUD's three-person income limit of \$45,200. However, 17.9% exaggerates the percentage of low-income households in Stow because most households with incomes below \$45,200 also had fewer than three people.

<sup>38</sup> Purchase price assumes a 10% downpayment and a 30-year mortgage at 7.5% interest.



purchasing a house in town if they were first-time homebuyers today, and about 71% of all households throughout the Boston PMSA. Though condominiums sometimes supply a more affordable housing opportunity than single-family homes, in Stow this is not the case. The town's median condominium sale price of \$463,499 (2001) would be affordable to about 27% of its present households if they were first-time homebuyers.

Table 13 estimates the affordability gap at a regional scale, though in actuality, the data in Table 13 reinforce the “buy-up” nature of the housing market in Stow and most of the surrounding region. The data also suggest that in comparison to other affluent communities, Stow's slightly lower housing turnover rate during the 1990s may have helped to keep down the pace at which single-family home prices escalated. Though year-end home sale price statistics for 2002 are not available for all ten communities, it is noteworthy that in Stow, the median single-family home sale price increased by 58% between 1998-2002 – far surpassing the percentage increase in Acton, Boxborough and Harvard, yet slightly lower than that of Bolton.

Table 13: Estimated Housing Affordability Gap in Stow & Region

	Median Household Income	Affordable Purchase Price	Median Single-Family Sale Price (2001)	Affordability Gap
Acton	\$ 91,624	\$285,373	\$ 420,000	-\$134,627
Bolton	\$ 102,798	\$320,175	\$ 482,500	-\$162,325
Boxborough	\$ 87,618	\$272,896	\$ 497,500	-\$224,604
Harvard	\$ 107,934	\$336,172	\$ 525,000	-\$188,828
Hudson	\$ 58,549	\$182,357	\$ 250,000	-\$67,643
Lancaster	\$ 60,752	\$189,219	\$ 207,500	-\$18,281
Littleton	\$ 71,384	\$222,333	\$ 270,000	-\$47,667
Maynard	\$ 60,812	\$189,405	\$ 251,250	-\$61,845
STOW	\$ 96,290	\$299,905	\$ 354,000	-\$54,095
Sudbury	\$ 118,579	\$369,327	\$ 537,250	-\$167,923

Sources: *Banker & Tradesman* [database online]; Census 2000, Summary File 3, Table P-53.

## Residential Development Trends

Like other Massachusetts suburbs, Stow regulates residential land use through zoning policies that encourage single-family homes and subject other types of housing to a more complicated system of permitting. About 63% of the town is zoned for single-family home development, which can occur as of right on parcels that meet the minimum lot area requirement of 1.5 acres and the minimum frontage requirement of 200 feet. Stow also provides for duplexes and accessory apartments by special permit from the Planning Board, and throughout the Residential District, a mixed residential use known as “Planned Conservation Development” (PCD) may be carried out on parcels of 10 or more acres, also by special permit from the Planning Board. According to Stow's Zoning Bylaw, PCD's may include a mix of single-family and multi-family dwelling units, subject to a multi-family cap of 25%. In exchange for providing a substantial amount of protected open space, developers seeking PCD approval are allowed to follow design standards that differ from the requirements for conventional developments: smaller lots, less frontage, varied

setbacks. More recently, Stow adopted an “Active Adult Neighborhood District” bylaw, which lays regulations for age-restricted housing development over most of the town’s industrially zoned land. Regardless of these alternatives, the vast majority of new growth in Stow has consisted of detached single-family homes and during the 1990s, most of them were built on lots that exceeded the 1.5-acre minimum.<sup>39</sup> Since 1970, two years after Stow adopted its first zoning bylaw, low-density residential development has absorbed increasingly large amounts of the town’s land, as shown in Table 14.

Table 14: Land Use Change in Stow, 1971-99

	Acres of Land in Use		
	1971	1985	1999
Agricultural Uses	1,363.39	1,152.12	877.73
Forest	6,841.04	6,523.82	6,066.92
Wetlands & Water	928.07	923.10	919.63
Recreation & Other Public Uses	502.65	603.45	737.57
Multi-Family Residential	0.00	3.36	13.71
Single-Family Residential	1,385.55	1,870.72	2,374.36
Commercial	28.25	52.62	60.74
Industrial	11.57	32.64	41.30
Open Land, Mining, Other	468.33	330.69	400.55
Transportation, e.g., highways & ramps	<u>15.51</u>	<u>51.83</u>	<u>51.83</u>
Total Acres	11,544.36	11,544.36	11,544.36
Major Use Categories in Percent			
<i>Agricultural</i>	11.8%	10.0%	7.6%
<i>Forest</i>	59.3%	56.5%	52.6%
<i>Residential</i>	12.0%	16.2%	20.7%
<i>Commercial &amp; Industrial</i>	0.3%	0.7%	0.9%

Source: MassGIS [database online], “lus286ph.dbf,” in d-Base format; data conversions and calculations by author.

Zoning and the market work as mutually reinforcing agents toward a particular development outcome, and this relationship can be seen in Stow. In most cases, the relative ease of developing what town regulations allow acts as a greater incentive than the potential for more efficient land use and better design in developments that require a special permit. Even when developers use the special permit tools available to them, however, they build to the single-family home market – in part because homes in Stow sell quickly, and also because the high cost of land dictates the construction of a large residence that can command a premium sale price. Between 1995-2001, the Stow Planning Board approved 16 subdivisions with a total of 169 house lots and endorsed 30 “Approval Not Required” or ANR plans for 56 lots. Though lot area data are unavailable for the ANR plans, the subdivisions parcelized 444 acres for an average lot size of 3.3 acres. One – Pond View Estates off Boxborough Road– produced common-wall housing, but the remaining subdivisions were developed as single-family home neighborhoods, including those which used the PCD provisions of Stow’s zoning bylaw. Between 1991-2001, Stow issued building permits

<sup>39</sup> Assessor’s Office, FY02 Parcel Data; statistics compiled by author.

for nearly 310 single-family residences, along with another 34 last year.<sup>40</sup> Attesting to the impact of high land costs and market preference on housing affordability in affluent towns like Stow, the town's newest homes (i.e., built since 1997) carry a median assessment of \$501,800, 75% of which is driven by building value. Whether in conventional or PCD subdivisions, the median value of a recently developed house lot is \$174,550.<sup>41</sup> It is little wonder that residential development has contributed so significantly to each year's "new growth" tax levy in Stow, as suggested by Fig. 15.

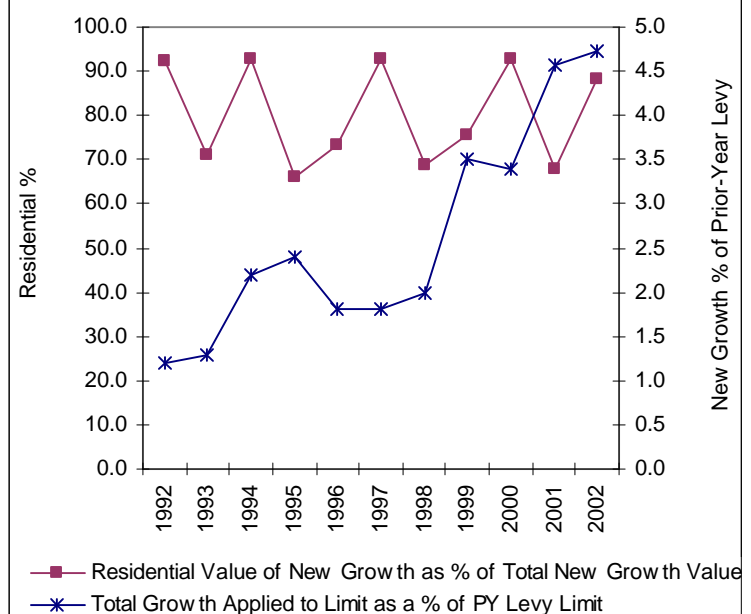
#### Residential Build-Out, Land Use and Chapter 40B

Two years ago, the Metropolitan Area Planning Council (MAPC) evaluated Stow's future development potential as part of a statewide program sponsored by the Executive Office of Environmental Affairs (EOEA). MAPC concluded that Stow has about 2,822 acres of developable land in the Residence District and that under current zoning, the land could support as many as 1,319 single-family homes. Ironically, MAPC's build-out estimate would culminate in a reversal of Stow's historic development pattern – a reversal foreshadowed by current land use trends – because the ratio of land consumed per dwelling unit would nearly double, from an average of 1.12 acres by each of today's homes to 2.14 acres by each home built tomorrow, as

**Fig. 14: Single-Family Building Permits**  
1991-2002



**Fig. 15: Residential Growth as % of All New Growth**



<sup>40</sup> Building permit data for 1991-2001 supplied by Karen Kelleher, Stow Planning Coordinator. For 2002, source: MISER, [database online] "Residential Building Permits Issued January-November 2002," in EXCEL [ytd2002\_11.xls].

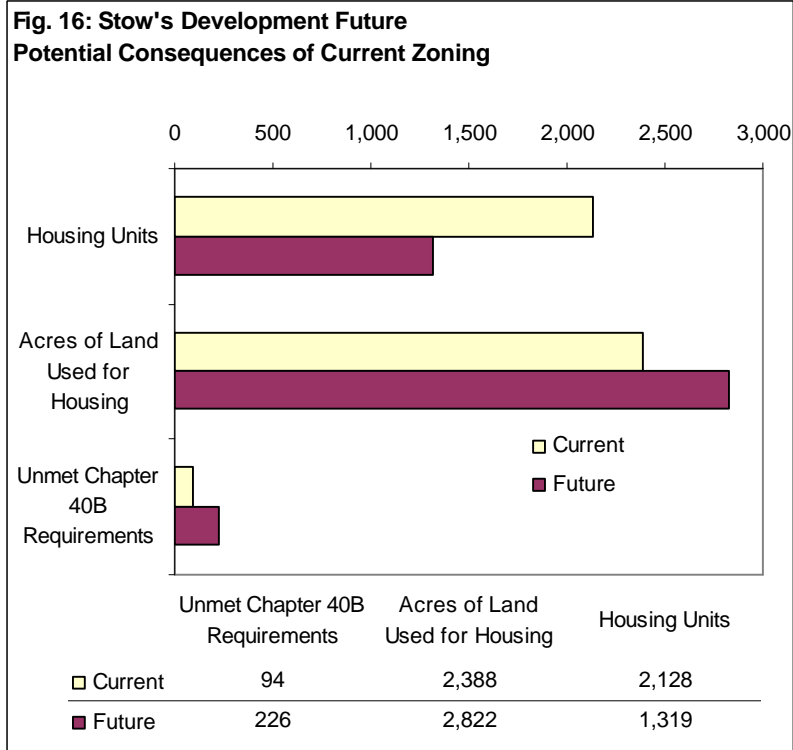
<sup>41</sup> Stow Assessor's Office, "FY02 Parcel Data."

shown in Fig. 16. As growth continues to spread across outlying parts of town, Stow seems destined not only to lose the distinguishable quality of its villages but also to extend its propensity for very high residential land costs.

Though many of the build-out studies include estimates of additional multi-family units and single-family homes, MAPC made no multi-family prediction for Stow because the town's Zoning Bylaw allows multi-family development only by special permit. Consistent with the build-out methodology that was used

across the Commonwealth, MAPC also made no provision for new housing units developed under Chapter 40B. As Stow continues to approve market-rate single-family homes on relatively generous house lots and high-end condominiums such as those on Hickory Lane and Welden Lane or in the Meeting House at Stow, the town accrues an unmet liability for Chapter 40B units. Using Census 2000 as a base, Stow's low-income housing inventory is 94 units short of the 10% threshold set by Chapter 40B. If the town were to build out to an additional 1,319 single-family homes with no provision for affordable housing development, the shortfall would increase to 226 units.

To accommodate these 226 units, however, Stow may absorb as many as 903 *additional* homes, i.e., separate from the town's estimated build-out under current zoning. Chapter 40B requires developments to include at least 25% low- and moderate-income housing units, or at least one affordable unit for every three market-rate units. To encourage rental production, the state allows communities to count as Chapter 40B units *all* of the apartments in a comprehensive permit rental development regardless of whether the apartments rent at low-, moderate- or market-rate levels. For homebuyer developments, Chapter 40B recognizes only the affordable units. Since the market-rate homes do not count as Chapter 40B units, they effectively expand the year-round housing base that is used to calculate a community's percentage of Chapter 40B units. The impact of this policy can be seen in Stow's small first-time homeownership development on Elm Ridge Road: DHCD's Chapter 40B Subsidized Housing Inventory includes



the seven first-time homebuyer units, which are subject to an affordable housing deed restriction. The remaining 18 homes are classified as “total development units,” not Chapter 40B units.<sup>42</sup>

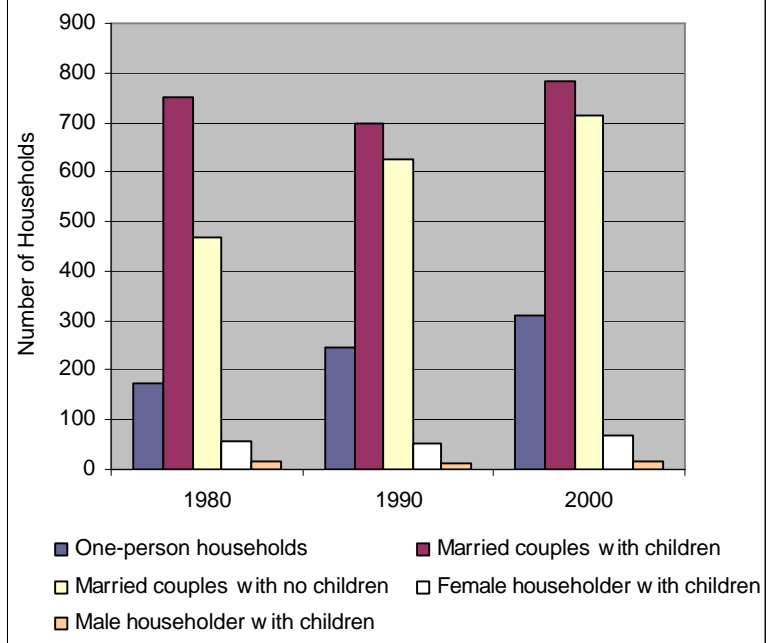
### Implications for Housing Needs in Stow

By choice, Stow is poised to attract affluent family households. To control the total amount of residential development, the town relies on large-lot zoning and policies that favor single-family homes. Though these techniques have and will continue to limit the number of dwelling units in town, they create significant challenges to meeting Stow’s other housing goals. With so many new single-family residences sized to attract families, it is not surprising that since 1990, Stow has absorbed a 12% increase in married couples with children – or a 14.2% increase in *all* family households with children.<sup>43</sup>

More striking, however, are the higher rates of growth among one-person households and couples without children

– populations that Stow seems ill equipped to house in the long run. For example, while the addition of high-end condominium and assisted living units are fiscally beneficial for Stow, they may provide limited benefits to the town’s aging population. Housing affordability is a significant issue for senior citizens: the median household income among households headed by persons over 65 is about half the median household income of families headed by persons between 35-44 years of age, yet for the most part, Stow’s elderly residents have incomes that exceed the limits for subsidized senior housing. As a result, many of them can neither afford the cost of a market condominium in Stow nor qualify for a unit at Plantation Apartments.

**Fig. 17: Stow's Changing Household Composition**



<sup>42</sup> “Total development units” measures all of the housing units included in approved comprehensive permits. The only units that DHCD considers when calculating a community’s percentage of low- and moderate-income housing are those classified as “Chapter 40B units.”

<sup>43</sup> The Stow Master Plan (1996) notes similar trends in a comparison of 1980-1990 household statistics (*Stow 2000*, 74). Significantly, the number of married couples with children had declined by 7% between 1980-1990. Census 2000 shows that the number of married couples with children recovered during the 1990s, though not to 1980 proportions. In Stow today, there are 1.1 couples with children for every couple without children – in contrast to 1.6 two decades ago.

The high incidence of housing cost burden among householders between 45-54 years of age in Stow is also a concern, and it cannot be explained easily by available data. Statistically, this age group divides married couples with children under 18 from married couples with adult children. Despite the town's continual gain in married couples without children under 18 (which includes couples with no children at all), the sustainability of this trend should be questioned. One-fourth of Stow's 45-54 year old homeowners are housing cost burdened today.<sup>44</sup> Given their foreseeable decline in household income over the next 10 years, it is not at all clear how Stow intends to retain its present generation of middle-aged people.

A third consideration involves housing choice for renters and persons with disabilities. Although the Zoning Bylaw includes a mechanism to develop multi-family housing units (PCD), Stow regulations do not provide for the level of density that could make multi-family rental housing feasible. Density holds the key to housing affordability, but in Stow and comparable communities, many residents see density as antithetical to their interests. To some extent, homebuyers choose a town like Stow because it is a prestigious place to live. They buy not only a house, but also the town's ambience: plenty of open space, large residences, attractive country roads and quaint villages that literally cannot be replaced. Stow's zoning is a blueprint for the kind of homes that have been built in town for many years – housing for homeowners. As evidence of the Zoning Bylaw's inability to attract rental investment, the only recent rental developments in Stow have occurred as a direct result of comprehensive permits. Significantly, both Pilot Grove and Plantation Apartments are subject to affordable housing use restrictions that expire in about 20 years. Moreover, except for Plantation Apartments and a recently developed assisted living facility on Route 117, the town has no accessible housing. It is no wonder that Stow's percentage of persons with severe physical disabilities (3%) is so much lower than that of the region (10%): the town has so little suitable housing.

Stow recently endured a very difficult, contentious comprehensive permit review (The Village at Stow) and most likely faces a second (Cloudland Farm). In the spring, town meeting adopted an "inclusionary" bylaw that obligates developers to provide affordable homes in new developments with six or more units. As a result, Stow has joined a growing number of Massachusetts communities that seek to gain zoning control over the development of affordable housing. Although the Attorney General has approved inclusionary zoning in its present form, the uncertain legal status of these bylaws puts communities at risk of having their work undone by the courts. In addition, the adoption of inclusionary zoning does not shield any community from comprehensive permits. Under current DHCD regulations, an inclusionary zoning bylaw will protect against large comprehensive permit applications only if it actually produces affordable housing units – by the actions of developers or by the community itself, using fees generated by developments that triggered the bylaw, along with CPA revenue or other sources.

Finally, Stow does not have effective regulations to preserve its historic mix of single-family homes. Major expansions or alterations to existing homes and demolition-rebuild projects attract new investment to the community. However, as these activities cause older homes to appreciate in value, they also remove lower-cost housing from the market. There are approximately 75 single-family homes in Stow with building values below \$65,500 – relatively small residences built, on average, between 1945-1950. Strategies to secure the affordability of these homes may

---

<sup>44</sup> Census 2000, Summary File 3, Table H-96.

help Stow establish a base of Chapter 40B-eligible units for lower-income homebuyers or renters, avoid the environmental costs of new development, and preserve the range of architectural traditions that pre-date modern conventional subdivisions.